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 29.01.2008 and they are available in the web site of Piraeus R.E.I.C. at www.piraeusaeeap.gr

Index to the Financial Statements

The notes on pages 8 to 21 are an integral part of these financial statements.

BALANCE SHEET

	Note	31.12.2007	31.12.2006
ASSETS			
Non – Current Assets			
Tangible Assets	7	1,126.83	1,768.39
Intangible Assets	8	571.88	480.57
Investments Property	6	99,717,252.00	99,928,635.00
Other receivables	10	36,128.56	36,128.56
		99,755,079.27	**99,967,012.52**
Current Assets			
Trade receivables	9	190,375.79	243,141.81
Other receivables	10	85,418.59	199,019.00
Cash and cash equivalents	11	13,644,172.47	10,654,465.96
		13,919,966.85	**11,096,626.77**
TOTAL ASSETS		**113,675,046.12**	**111,063,639.29**
LIABILITIES			
EQUITY			
Share Capital	13	62,023,711.20	62,023,711.20
Share Premium	13	163,190.75	163,190.75
Reserves	14	1,759,428.18	1,090,233.40
Retained earnings	15	48,741,871.36	46,963,692.48
TOTAL EQUITY		**112,688,201.49**	**110,240,827.83**
Non – current liabilities			
Retirement benefit obligations	16	11,664.00	8,296.00
Other non-current liabilities	17	83,884.98	83,884.98
		95,548.98	**92,180.98**
Current liabilities			
Suppliers and other liabilities	18	608,256.54	566,014.75
Income tax	19	283,039.11	164,615.73
		891,295.55	**730,630.48**
TOTAL LIABILITIES		**986,844.63**	**822,811.46**
TOTAL EQUITIES AND LIABILITIES		**113,675,046.12**	**111,063,639.29**

The notes on pages 8 to 21 are an integral part of these financial statements.

INCOME STATEMENT

	Note	31.12.2007	31.12.2006
Income from leased assets	5	7,974,973.90	7,776,749.85
Gains from adjustments to fair value	6	2,773,621.50	1,265,372.22
Gains from sale of investment properties	5	1,047,011.00	688,459.39
Interest Income		425,533.75	346,671.50
Total Operating Income		**12,221,140.15**	**10,077,252.96**
Investment property operating expenses	21	(607.107.90)	(442,700.49)
Staff costs	22	(69.591.33)	(73,253.84)
Other operating expenses	23	(1,794,256.22)	(974,232.41)
Depreciation	7,8	(881.75)	(26,031.77)
Total Operating Expenses		**(2,471,837.20)**	**(1,516,218.51)**
Profit Before Income Tax		**9,749,302.95**	**8,561,034.45**
Income tax expense	19	(550,675.77)	(336,772.31)
Profit for the Period		**9,198,627.18**	**8,224,262.14**
Earnings per Share (in €)			
Basic & Diluted	24	0.17	0.15

The notes on pages 8 to 21 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 2006		**49.898.400.00**	**12.436.157.41**	**840.013.29**	**46509.650.45**	**109.684.221.15**
Share Capital Increase with share premium capitalization	13	12.125.311.20	(12.125.311.20)	-	-	**0.00**
Share Capital issue expenses	13	-	(147.655.46)	-	-	**(147.655.46)**
Dividends paid for year 2005		-	-	-	(7.520.000.00)	**(7.520.000.00)**
Retained earnings transferred to other reserves	14	-	-	250.220.11	(250.220.11)	**0.00**
Profit for the period 01.01.2006-31.12.2006		-	-	-	8.224.262.14	**8.224.262.14**
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	14			669,194.78	(669,194.78)	**0.00**
Profit for the period 01.01.2007 – 31.12.2007		-	-	-	9,198,627.18	**9,198,627.18**
Balance as at 31 December 2007		**62,023,711.20**	**163,190.75**	**1,759,428.18**	**48,741,871.35**	**112,688,201.49**

The notes on pages 8 to 21 are an integral part of these financial statements.

CASH FLOW STATEMENT

	Note	31.12.2007	31.12.2006
Cash flows from operating activities			
Profit before tax			8,561,034.45
Adjustments to profit before tax :			
Depreciation	7,8	881.75	26,031.77
Provisions	16	3,368.00	(2,698.67)
Gains from adjustments to fair values	6	(2,273,621.50)	(1,265,372.22)
Gains from sale of investment property	6	(1,047,011.00)	(688,459.39)
Results (income, expenses, profits & losses) from investing activities		(425,533.75)	(346,671.50)
Adjustments related to working capital or operating activities :			
Acquisition of investment property	6	(567,984.50)	(9,117,809.00)
Income from sale of investment property	6	4,600,000.00	2,100,000.00
(Increase) /Decrease in receivables		166,366.43	(48,439.08)
Increase in liabilities (banks not included)		39,365.05	236,551.10
Less :			
Tax expenses		(432,252.39)	(485,556.27)
Net cash from operating activities		9,312,881.04	(1,031,388.81)
Cash flows from investing activities			
Acquisition of tangible or intangible assets	7,8	(331.50)	(2,410.31)
Interest Income		425,533.75	346,671.50
Net cash from investing activities		425,202.25	344,261.19
Cash flows from financing activities			
Share capital issue expenses	13	-	(147,655.46)
Dividends paid		(6,748,376.78)	(7,517,684.48)
Net cash from financing activities		(6,748,376.78)	(7,665,339.94)
Net increase / (decrease) in cash and cash equivalents		**2,989,706.51**	**(8,352,467.56)**
Cash and cash equivalents at beginning of period		**10,654,465.96**	**19,006,933.52**
Cash and cash equivalents at end of period	11	**13,644,172.47**	**10,654,465.96**

The notes on pages 8 to 21 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 38.69% participation stake in its share capital, on 31.12.2007. 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.

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. 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.

2.18 New accounting standards and IFRIC 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 2007

IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures
This standard and amendment introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other payables. The pronouncements of this standard have been applied in the preparation of these financial statements.

Interpretations effective for 2007

IFRIC 7 - Applying the Restatement Approach under IAS 29
This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group companies operate in a hyperinflationary economy this interpretation does not affect the Group's financial statements.

IFRIC 8 - Scope of IFRS 2
This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group's financial statements.

IFRIC 9 - Reassessment of Embedded Derivatives
This interpretation requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation is not relevant to the Group's operations.

IFRIC 10 - Interim Financial Reporting and Impairment
This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group's financial statements.

Standards effective after 1 January 2008

IFRS 8 - Operating Segments
This standard is effective for annual periods beginning on or after 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.

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. Group will apply IAS 23 from 1 January 2009.

Interpretations effective after 1 January 2008

IFRIC 11 - IFRS 2: Group and Treasury share transactions
This interpretation is effective for annual periods beginning on or after 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 or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 13 – Customer Loyalty Programmes
This interpretation is effective for annual periods beginning on or after 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 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
This interpretation is effective for annual periods beginning on or after 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.

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. Financial Risk Factors

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. The accounting policy with respect to these financial instruments is described in Note 2.

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. 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 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. Company has no outstanding bank credits.

Trade receivables

	31.12.2007	31.12.2006
Non outstanding receivables	92,833.24	76,247.99
Outstanding receivables		
1 month	37,678.03	42,960.70
1month – 3 months	37,458.05	90,958.62
3 months – 12 months	22,406.47	32,974.51

Over 1 month	190,375.79	243,141.82

Other receivables

	31.12.2007	31.12.2006
Non outstanding receivables	85,418.59	25.906.99
Outstanding receivables		
1 month	0.00	93,729.01
1 month – 3 months	0.00	79,383.00
	85,418.59	199,019.00

Cash

	31.12.2007	31.12.2006
1 month	13,644,172.47	10,654,465.96
	13,644,172.47	10,654,465.96

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.

Liabilities

	31.12.2007	31.12.2006
1 month	359,686.80	286,052.04
1 months – 12 month	248,569.74	279,962.71
	608,256.54	566,014.75

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 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. 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.

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:

01.01.2007 – 31.12.2007	**Shops**	**Office**	**Gas Stations**	**Garages**	**Unallocated**	**Total**
Income from leases	1,226,755.60	5,849,588.47	744,888.99	153,740.84	0.00	7,974,973.90
Gains from adjustments to fair values	306,423.00	1,315,486.50	531,874.00	619,838.00	0.00	2,773,621.50
Gains from sale of investment property	0.00	1,047,011.00	0.00	0.00	0.00	1,047,011.00
Total income from property	1,533,178.60	8,212,085.97	1,276,762.99	773,578.84	0.00	11,795,606.40
Net Financial Outcome					425,533.75	425,533.75
Total operating expenses	(93,388.77)	(445,309.47)	(56,705.89)	(11,703.77)	(1,864,729.30)	(2,471,837.20)
Profit before taxes	**1,439,789..83**	**7,766,776.50**	**1,220,057.10**	**761,875,07**	**(1,439,195.55)**	**9,749,302.95**
Tax Expense	(86,540.42)	(318,655.49)	(58,681.79)	(33,624.98)	(53,173.09)	(550,675.77)
Profit after taxes	**1,353,249.41**	**7,448,121.01**	**1,161,375.31**	**728,250.09**	**(1,492,368.64)**	**9,198,627.18**

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

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

6. INVESTMENT PROPERTY

The investments of the company in property are as follows:

	31.12.2007	31.12.2006
Opening Balance	**99,928,635.00**	**90,956,994.39**
Purchases	567,984.50	9,117,809.00
Gains from adjustments to fair value	2,773,621.50	1,265,372.22
Cost of sales	(3,552,989.00)	(1,411,540.61)
Closing Balance	**99,717,252.00**	**99,928,635.00**

Purchases of current period are € 568 thous. and relate to the acquisition of offices in Nikaia, Athens. 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 two properties for the total amount of €4,600,000.00.

The Company's investment properties were revalued at 30.06.2007 and 31.12.2007 by independent professionally qualified valuers (S.O.E.), according to L.2778/1999.

7. TANGIBLE ASSETS

2006	Leasehold improvements	Furniture fittings and equipment	Total
Acquisition Cost			
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
Accumulated depreciation			
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**

2007	Leasehold improve-ments	Furniture fittings and equipment	Total
Acquisition Cost			
Opening balance	33,739.67	3,993.84	37,733.51
Acquisitions	0.00	0.00	0.00
Deletion of opening balance as fully depreciated	-33,739.67	0.00	-33,739.67
	0.00	3,993.84	3,993.84
Accumulated depreciation			
Opening balance	33,739.67	2,225.45	35,965.12
Charge for sales	0.00	641.56	641.56
Charge for the period	-33,739.67	0.00	-33.739.67
	0.00	2,867.01	2,867.01
Net book value at 31.12.2007	**0.00**	**1,126.83**	**1,126.83**

8. INTANGIBLE ASSETS

Balance of intangible assets concerns software programs.

2006	**31.12.2007**	**31.12.2006**
Acquisition Cost		
Opening balance	579.63	0.00
Acquisitions	331.50	579.63
	911.13	579.63
Accumulated depreciation		
Opening balance	99.06	0.00
Charge for the period	240.19	99.06
	339.25	99.06
Net book value at 31.12.2006	**571.88**	**480.57**

9. TRADE RECEIVABLES

	31.12.2007	**31.12.2006**
Other clients	190,375.79	243,141.81
TOTAL	**190,375.79**	**243,141.81**

The above mentioned receivables are analysed according to their maturity as follows:

	31.12.2007	**31.12.2006**
Non outstanding	92,833.24	76,247.99
Outstanding receivables		
Up to 1 month	37,678.03	42,960.70
1 month – 3 months	37,458.05	90,958.62
3 months -12 months	0.00	10,568.03
Over 12 months	22,406.47	22,406.47
	190,375.79	243,141.81

There is no concentration of credit risk with respect to trade receivables of 31.12.2007, as the Company's tenants are of high credit history.

The Company has recognised a loss of € 599 thous.. The loss has been included in "other operating expenses" in the Income Statement.

Trade receivables that are less than three months past due are not considered impaired. As of 31.12.2007 trade receivables €37 thous. were past due but not impaired.

10. OTHER RECEIVABLES

Balances of other receivables are as follows:

	31.12.2007	**31.12.2006**
Long term receivables		
Warrants	**36,128.56**	**36,128.56**

Short-term receivables	**31.12.2007**	**31.12.2006**

Other debtors	15,313.38	173,119.346
Prepaid expenses	4,207.65	25,899.66
Income from interest	65,897.56	0.00
TOTAL	**85,418.59**	**199,019.00**

11. CASH AND CASH EQUIVALENTS

	31.12.2007	**31.12.2006**
Bank deposits	744,172.47	10,654,465.96
Fixed deposits	12,900,000.00	0.00
TOTAL	**13,644,172.47**	**10,654,465.96**

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.

	31.12.2007		**01.01.2007 - 31.12.2007**	
	RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Parent Company	13,569,976.33	194,309.20	6,272,473.09	651,943.12
Other related parties	0.00	96,490.53	0.00	370,570.92
TOTAL	**13,569,976**	**290,799.73**	**6,272,473.09**	**1,022,514.04**

	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**

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 31.12.2007, emoluments were € 61,538.52, when for the period 1.1.2006 to 31.12.2006 were € 65,005.48.

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 01.01.2006	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**

	Number of shares	Share Capital	Share premium	Total
Balance at 01.01.2007	54,888,240	62,023,711.20	163,190.75	62,186,901.95
Balance at 31.12.2007	**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 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 as at 31 December 2006	**1,087,358.03**	**2,875.37**	**1,090,233.40**
Balance at 1 January 2007	1,087,358.03	2,875.37	1,090,233.40
Retained earnings transfer to other reserves	669,194.78	0.00	669,194.78
Balance at 31 December 2007	**1,756,552.81**	**2,875.37**	**1,759,428.18**

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 € 39 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:

	31.06.2007	31.12.2006
Balance as at 1 January	8,296.00	10,994.67
Charge to consolidated income statement	0.00	(5,506.67)
Provision from actuarial study	3,368.00	2,808.00
Balance as at 30 June	**11,664.00**	**8,296.00**

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:

	31.12.2007	**31.12.2006**
Stamp duty	248,569.74	136,647.80
Liabilities to associates	290,799.73	44,101.32
Dividends paid	40,314.81	4,467.02
Other creditors	64,572.26	39,017.33
Total	**608,256.54**	**566,014.75**

19. 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 of € 552,675.77 regards tax for the period 01.01.2007-31.12.2007, based on the investments and the available funds on 31.12.2007 and it breaks down to €267,636.66 which regards tax already paid for the 1st semester of 2007 and €283,039.11 which regards tax for the 2nd semester 2007. For the year 2006 the tax was €336,772.31.

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	7,707,688.85
Later than 1 year and no later than 5 years	25,550,018.24
Later than 5 years	15,811,433.22
Total	49,069,140.31

21. INVESTMENT PROPERTY OPERATING EXPENSES

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

	01.01 - 31.12.2007	**01.01 - 31.12.2006**
Trading service fees	299,785.92	213,332.50
Evaluation fees	80,110.00	44,075.00
Insurance	129,739.21	128,038.91
Levies and maintenance	95,570.35	56,786.74
Other expenses	1,902.42	467.34
Total	**607,107.90**	**442,700.49**

22. STAFF COSTS

Staff costs are made up as follows:

	01.01 - 31.12.2007	01.01 - 31.12.2006
Wages and Salaries	59,567.74	60,880.60
Employer contributions	9,836.78	10,924.84
Other expenses	186.81	1,448.40
Total	**69,591.33**	**73,253.84**

The number of persons employed by the company on 31.12.2007 was 2 (31.12.2006: 2).

23. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	01.01 - 31.12.2007	01.01 - 31.12.2006
Taxes and duties	210,232.59	227,826.24
Publishing expenses	37,897.70	30,700.82
Administration fees	61,538.52	65,005.48
Rent	1,200.00	13,596.90
Third party fees	777,765.53	564,256.41
Write off of doubtful clients	559.181.55	0.00
Tax audit differences	46,958.00	0.00
Other expenses	99,482.33	72,846.56
Total	**1,794,256.22**	**974,232.41**

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 - 31.12.2007	01.01 - 31.12.2006
Profits after taxes (amounts in €)	9,198,627.18	8,224,262.14
Weighted average number per share	54,888,240	54,888,240
Basic and diluted earning per share (amounts in €)	0.17	0.15

25. DIVIDENDS PER SHARE

A dividend in respect of 2007 of €0.13 per share, amounting to a total dividend of €7,135,471.20 is to be proposed to the Annual General Assembly by the Board of Directors.

The dividend of fiscal year 2006, which amounted to €6,751,253.52 was approved by the General Assembly on 29.06.2007 and its distribution began on 29.08.2006.

26. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither pending legal actions against company nor contingent liabilities that would affect company's performance on 31.12.2007.

27. POST BALANCE SHEET EVENTS

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

Athens, 29 January 2008

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 of Piraeus AEEAP

Report on the Financial Statements

We have audited the accompanying financial statements of Piraeus AEEAP (the "Company") which comprise the company balance sheet as of 31 December 2007 and the Company 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 EU. 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 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 2007, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU.

Report on Other Legal and Regulatory Requirements

The information included in the Board of Directors' Report is consistent with the accompanying financial statements.

P.S This report has been translated from the Greek original.

30 January 2008