REAL ESTATE DEVELOPMENT & SERVICES S.A.

Annual Financial Statements under the International Financial Reporting Standards for the financial year ended 31 December 2005.

REAL ESTATE DEVELOPMENT & SERVICES S.A..
AKAKION 39 & MONEMVASIAS ST., GR 151 25,
ATHENS, GREECE
VAT Number: 094007180

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Auditor's Report

(UNQUALIFIED OPINION – EMPHASIS OF MATTER)

To the Shareholders of the "REAL ESTATE DEVELOPMENT & SERVICES S.A."

We have audited the accompanying balance sheet of "REAL ESTATE DEVELOPMENT & SERVICES S.A." and the consolidated balance sheet of the Company and its subsidiaries as of 31 December 2005 and the related statements of income, cash flows and changes in shareholders' equity of the Company and the Group for the year then ended. These financial statements are the responsibility of the Company's management. 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 conforms with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also assessed the consistency of the information included in the Directors' Report, with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2005, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors' Report is consistent with the financial statements.

Without expressing qualification as to the conclusions of the review, we note that the tax returns of the parent and of its subsidiaries for the year cited in Note Nr 25 to the Annual Financial Statements. As a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Athens, 27 March 2006

The Certified Public Accountant – Auditor

Aggeliki K. Gratsias Drombakis

SOEL Reg. No 13071

Report of the BoD for the FY ended 31 December 2005

IMPORTANT EVENTS & ANTICIPATED COMPANY PROGRESS

In 2005, a series of important events occurred following the company's relevant actions and in accordance with its strategic planning. Said events are the starting points and place the foundations for the successful development of extensive land that the group owns in the Messogia area of the Attica prefecture. The positive financial results thereof, will be reflected in the company's financial statements in the years to come.

These important events are described below:

- On 28 July 2005, an agreement was signed with LA SOCIETE GENERALE IMMOBILLIERE ESPAGNE (LSGIE), member of the S.C.C. for the sale of all the shares in :KANTZA COMMERCIAL S.A.", for a total consideration of € 70,000,000.The agreement is subject to the absorption conditions of "KANTZA PROPERTY DEVELOPMENT, MANAGEMENT & OPERATION S.A" that owns the neighbouring property, and conditional to the issue of the relevant building permits. The first important steps for achieving the terms of the agreement that was signed and has a time horizon until year 2009 are expected to be achieved within 2006.
- The group's second large property in Messogia, Attica, owned by the subsidiary "YALOU COMMERCIAL AND TOURIST SA" situated in Yalou, Spata, Attica, was included in the town plan by virtue of Government Gazette (FEK) 319Δ/2005, has a total area of 133,000 sq.m. The designated land use is "Business Park". Agreements with prospect lessees are expected to be completed within 2006, and the relevant building permits will be issued immediately after that.
- In the second half of 2005, a building permit was issued for the construction of 30 residences in "Trigono KAMBA" in Kantza, Attica, on a plot of 7,780 sq.m., owned by the parent company "REDS S.A." Sales will begin in 2006. The company will utilise the extended customer base and fame that it has acquired as a result of the positive comments expressed by the first owners that in 2005 gradually moved to the "LOFOS EDDISON" residential complex.

Other important developments with the group's running projects:

- As at 31/12/2005, 187 residences had been sold in the "LOFOS EDDISON" residential complex of subsidiary company "LOFOS PALLINI" situated in Pallini, Attica. The remaining 23 houses are expected to be sold in 2006.
- In the field of commercial and entertainment centres, Escape Centre continued its very successful progress in 2005 as well, while at VESO MARE the first large commercial use started operating in 2005. According to the first indications, this activity has given, as expected, a breath of fresh air to the centre. For 2006, the company has decided to attempt the strengthening of the centre's commercial aspect, with one more large commercial user.

Moreover, the company has decided to participate in business partnerships for the tenders that were announced in 2005 regarding the "International Broadcasting Centre" and the "Olympic Village Commercial Centre". These tenders are expected to be completed in 2006.

Following the above report, we call upon you, the shareholders, to approve the Financial Statements for Year 2005, as well as the accompanying Board of Directors' and the Auditor's Reports, and release the Board Members individually and the Board of Directors as a body, as well as the Auditor, of any liability for compensation in relation to year 2005.

Concluding this report, the Board of Directors would like to thank the Shareholders for their continuous trust, as this is evidenced on a daily basis, and also the Company's executives, for their contribution to achieving the objectives.

Maroussi, 24 March 2006

For the Board of Directors

The Chairman of the Board

Dimitrios Koutras

It is hereby certified that the above Board of Directors' report made up of two (2) pages, is the one specified in the audit Report that I have granted, dated 27 March 27 2006.

Athens, 27 March 2006

The Certified Public Accountant – Auditor

Aggeliki K. Gratsias Drombakis

SOEL Reg. No 13071

Balance Sheet

	Note	CONSOLIDATED 31 December 2005	CONSOLIDATED 31 December 2004	COMPANY 31 December 2005	COMPANY 31 December 2004
ASSETS					
Non-current assets					
Investment property	7	96.690.989	97.734.297	24.836.808	26.998.943
Property, plant & equipment	8	260.826	322.116	136.060	226.656
Intangible assets	9	1.832	9.251	1.474	6.916
Investments in subsidiaries	10	-	-	39.389.511	39.389.511
Investments in Join Ventures	11			10.770	-
Deferred tax asset	20	2.755.263	2.721.049	2.283.007	2.392.605
Prepayments for operating leases	13	9.823.966	10.173.145	9.823.966	10.173.145
Other non-current receivables	13	72.184	156.741	72.184	156.741
		109.605.059	111.116.598	76.553.779	79.344.516
Current assets					
Inventories	12	12.842.754	26.157.055	5.909.889	2.777.514
Trade debtors and other receivables	13	11.379.931	17.104.822	4.395.253	8.016.666
Financial assets at fair value through P&L		25	25	25	25
Cash and cash equivalents	14	9.526.034	10.727.496	1.777.114	849.340
Assets held for sale		-	45.417	-	-
		33.748.744	54.034.815	12.082.280	11.643.545
Total Assets		143.353.803	165.151.413	88.636.059	90.988.061
EQUITY CAPITAL					
Share Capital	15	67.337.451	67.337.451	67.337.451	67.337.451
Share Premium	15	5.641.410	5.641.410	5.641.410	5.641.410
Other reserves	16	6.327.916	6.226.459	784.259	784.259
Retained earnings		26.487.485	23.272.135	(21.184.620)	(20.894.199)
		105.794.262	102.477.454	52.578.500	52.868.921
Total Equity		105.794.262	102.477.454	52.578.500	52.868.921
LIABILITIES					
Non-current liabilities					
Borrowings	18	100.000	20.000.000	-	-
Retirement benefit obligations	21	64.845	70.978	58.972	69.312
Other non-current liabilities	17	320.753	492.328	320.753	492.328
Other long-term provisions	19	18.326.836	18.326.836	18.326.836	18.326.836
		18.812.435	38.890.142	18.706.560	18.888.476
Current liabilities					
Trade and other payables	17	18.032.870	20.722.857	16.646.289	19.230.664
Current income tax liabilities		714.236	3.060.959	704.710	-
		18.747.106	23.783.817	17.350.999	19.230.664
Total liabilities		37.559.541	62.673.959	36.057.559	38.119.140
Total equity and liabilities		143.353.802	165.151.413	88.636.059	90.988.061

The notes on pages 11 to 48 are an integral part of these consolidated financial statements.

Income Statement

	Note	CONSOLIDATED		COMPANY	
		31 December 2005	31 December 2004	31 December 2005	31 December 2004
Sales		30.792.328	41.457.513	6.735.793	13.684.148
Cost of sales	24	(23.410.299)	(26.665.363)	(4.904.904)	(11.001.287)
Gross Profit		7.382.029	14.792.150	1.830.889	2.682.861
Other operating income/(expenses) -net	26	313.424	1.986.054	173.242	299.752
Administrative expenses	24	(2.567.881)	(3.540.605)	(1.611.168)	(1.880.013)
Operating results		5.127.572	13.237.599	392.963	1.102.600
Finance income/(expenses)- net	22	(665.580)	(771.058)	(436.779)	(40.841)
Profit before income tax		4.461.992	12.466.542	(43.816)	1.061.759
Income tax	25	(1.792.087)	(4.952.291)	(893.508)	(1.572.970)
Net profit for the year		**2.669.905**	**7.514.251**	**(937.324)**	**(511.210)**
Basic and diluted earnings per share (€ per share)		0,0674	0,1897	(0,0237)	(0,0129)

The notes on pages 11 to 48 are an integral part of these consolidated financial statements.

Statement of changes in equity

CONSOLIDATED FIGURES

	Share capital	Other reserves	Retained earnings	Total equity
January 1st 2004	**66.285.401**	**64.902.331**	**(36.224.529)**	**94.963.203**
Net profit /(loss) for the year	-	-	7.514.251	7.514.251
Total recognised net profit/(loss) for the year	-	-	7.514.251	7.514.251
Issue of share capital/ (reduction)	6.693.460	(6.693.460)	-	-
Carried to/from reserves	-	(51.982.412)	51.982.412	-
	6.693.460	(58.675.872)	51.982.412	-
December 31, 2004	**72.978.861**	**6.226.459**	**23.272.134**	**102.477.454**
Application of IAS 32 & 39	-	-	646.903	646.903
Net profit /(loss) for the year	-	-	2.669.905	2.669.905
Carried to/from reserves	-	101.457	(101.457)	-
Total recognised net profit/(loss) for the year	-	101.457	3.215.351	3.316.808
December 31, 2005	**72.978.861**	**6.327.916**	**26.487.485**	**105.794.262**

COMPANY FIGURES

	Share capital	Other reserves	Retained earnings	Total equity
January 1st 2004	**66.285.401**	**7.477.719**	**(20.382.989)**	**53.380.131**
Net profit /(loss) for the year	-	-	(511.210)	(511.210)
Total recognised net profit/(loss) for the year	-	-	(511.210)	(511.210)
Issue of share capital/ (reduction)	6.693.460	(6.693.460)	-	-
	6.693.460	(6.693.460)	-	-
December 31, 2004	**72.978.861**	**784.259**	**(20.894.199)**	**52.868.921**
Application of IAS 32 & 39	-	-	646.903	646.903
Net profit /(loss) for the year	-	-	(937.324)	(937.324)
Total recognised net profit/(loss) for the year	-	-	(290.421)	(290.421)
December 31, 2005	**72.978.861**	**784.259**	**(21.184.620)**	**52.578.500**

The notes on pages 11 to 48 are an integral part of these consolidated financial statements.

Cash Flow Statement

	Note	CONSOLIDATED 31 December 2005	CONSOLIDATED 31 December 2004	COMPANY 31 December 2005	COMPANY 31 December 2004
Cash flow from operating activities					
Cash generated from operations	29	26.786.458	5.446.666	3.139.543	263.842
Interest paid		(883.308)	(838.713)	(479.103)	(57.014)
Income tax paid		(5.353.400)	114.778	(529.655)	117.074
Net cash generated from operating activities		20.549.750	4.722.731	2.130.784	323.902
Cash flow from investing activities					
Purchase of property plant & equipment	8	(7.126)	(86.863)	(7.126)	(86.863)
Purchase of intangible assets	9	(1.630)	(900)	(1.630)	(900)
Purchase of investment property	7	(2.060.184)	-	(1.225.808)	-
Sale of investments property	29	-	2.266.120	-	-
Acquisition of Subsidiaries & share capital increase of Subsidiaries	10	-	-	-	(362.547)
Acquisition of Join Ventures	11	-	-	(10.770)	-
Interest and similar income received		217.728	67.655	42.324	16.173
Net cash flow from investment activities		(1.851.212)	2.246.012	(1.203.010)	(434.137)
Cash flow from financing activities					
Proceeds from borrowings		-	544.436	-	-
Borrowings repayment		(19.900.000)	-	-	-
Net cash flow from financing activities		(19.900.000)	544.436	-	-
Increase/(decrease) in cash and cash equivalents		(1.201.462)	7.513.179	927.774	(110.235)
Cash available at beginning of the year		10.727.496	3.214.318	849.339	959.574
Cash available at end of the year		9.526.034	10.727.496	1.777.113	849.339

The notes on pages 11 to 48 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1.1 General information

REAL ESTATE DEVELOPMENT & SERVICES (the “Company”) and its subsidiaries (the “Group”) operate in real estate development and management, leasing out of owned buildings, real estate services and the construction of owned buildings and technical works. The Group operates mainly in Greece.

The Company is incorporated and domiciled in Greece at Akakion 39 & Monemvasias Str. Maroussi Athens.

The shares of the Company are listed on the Athens Exchange since 1920.

These financial statements have been approved for issue by the Company’s Board of Directors on March 24, 2006.

2 Summary of significant accounting policies

2.1 Basis of preparation

These annual financial statements have been prepared with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and IFRIC interpretations as adopted by the European Union, as well the IFRS issued by the International Accounting Standard Board (IASB).

All IFRS issued by IASB and are valid at the time of preparing these statements, have been adopted by the European Council through the confirmation procedure of the European Union (EU), except for IAS 39 (Financial Instruments: Recognition and Valuation). After suggestion of the Accounting Standardisation Committee, the Board adopted the Regulations 2086/2004 and 1864/2005 which require the use of IAS 39, except for specific stipulations regarding the deposits portfolio hedging, from 1 January 2005 for all listed companies.

The financial statements have been prepared under the IFRS as issued by IASB and adopted by the EU. The Group is not influenced by the stipulations regarding the deposits portfolio hedging, as presented in IAS 39.

According to transitory stipulations of IFRS 1 ‘First-time adoption of IFRS’ and other standards, the Group applied the IFRS valid as of 31 December 2005 for the financial data as of 1 January 2004, except for the standards regarding the financial data which have been applied as of 1 January 2005 and are not included in the comparative data (2004) according to IFRS 1.

The Greeek Generally Accepted Accounting Principles (“Greek GAAP”) differ from IFRS at certain points. In preparing these consolidated financial statements, the Group’s management differentiated some accounting treatment and valuation methods used in the financial statements under Greek GAAP, in order to comply with IFRS. The accounts have been reformed in relation to 2004, in order to take into consideration these reformations except if mentioned differently in the accounting policies hereinafter.

Reconcialiations and description of the effect of the transition to IFRS on the Company’s and the Group’s equity and income statement are presented in Note 5.

This financial information has been prepared under the historical cost convention, except for the financial assets anailable-for-sale or at fair value through the income statement, which are carried at fair value.

The preparation of the financial statements under IFRS requires the use of accounting estimations and assumptions of the Management upon implementation of the accounting policies adopted. The areas requiring large extent of assumptions or where assumptions and estimations have a significant effect on the financial statements are mentioned in Note 4.

2.2 New standards, interpretations and amendment of existing standards

A series of new accounting standards, modified standards and interpretations has been issued, which are mandatory for accounting years beginning from January 1st 2006. The Group's assessment regarding the effect of the aforementioned new standards and interpretations is as follows:

- **IAS 19 (amendment) Employee Benefits (in force as of 1.1.2006)**

This amendment provides the company with the choice of an alternative method of actuarial gains and losses recognition. It is possible to impose new recognition conditions for cases where there are multi-employer plans for which there are no sufficient information on the application of the defined benefit plans accounting. Moreover, it adds new disclosure requirements. This amendment is not relevant to the Group's operations.

- **IAS 39 (amendment) Cash Flow Hedge Accounting for provisions of inter-company transactions (in force as of 1 January 2006).**

The specific amendment allows the exchange rate risk from a provision of a highly probable intercompany transaction, to be characterized as item to be hedged in the consolidated financial statements under the condition that: (a) the transaction is in a currency other than the functional currency of the company which participates in the transaction and (b) the exchange rate risk will influence the consolidated profit and loss account. This amendment is not relevant to the Group's operations, since the Group does not have any intercompany transactions which could be characterized as items to be hedged.

- **IAS 39 (amendment) Fair Value Option (in force as of 1 January 2006).**

This amendment changes the definition of financial assets classified at fair value through the income statement and limits the possibility of classifying financial instruments in that category. The Group considers that the said amendment will not have a significant effect on the classification of financial instruments, since the Group cannot adopt the amended criteria on the definition of the financial instruments at fair value through the income statement. The Group shall adopt the said amendment as of 1 January 2006.

- **IAS 39 and IFRS 4 (amendment) Financial Guarantees (in force as of 1 January 2006).**

This amendment requires the issued financial guarantees – except for those proven to be insurance contracts –to be recognized initially at fair value and then at the higher value between (a) the unamortized balance of the relevant remunerations received and postponed and (b) the cost required to cover the commitment at the balance sheet date. The Management has reached the conclusion that the said amendment does not apply to the Group.

- **IFRS 1 (amendment) First-time Adoption of International Financial Reporting Standards and IFRS 6, Exploration for and Evaluation of Mineral Resources (in force as of 1 January 2006).**

These amendments do not apply to the Group.

- **IFRS 7, Financial instruments: Disclosures and the amendment to IAS 1, Presentation of Financial Statements, Capital Disclosures (in force as of 1 January 2007).**

IFRS 7 introduces additional disclosures aiming at improving the information provided regarding the financial instruments. It requires disclosure of qualitative and quantitative information regarding the company's exposure to risks as a result of the financial instruments. More specifically, it pronounces a minimum level of disclosure related to credit risk, liquidity risk and market risk (it imposes the sensitivity analysis regarding the market risk). IFRS 7 replaces IAS 30 (Disclosures to the Financial Statements of Banks and Credit Institutions) and the disclosure requirements of IAS 32, (Financial Instruments: Disclosure and Presentation). It applies to all the companies preparing financial statements under IFRS. The amendment to IAS 1 introduces disclosures regarding the amount of capitals of a company, as well as the way they are managed. The Group estimated the effect of IFRS 7 and the amendment to IAS 1 and reached to the conclusion that the additional disclosures required from their implementation is the sensitivity analysis related to the market risk and the capital disclosures. The Group will apply IFRS 7 and the amendment to IAS 1 as of 1 January 2007.

- **IFRIC Interpretation 4, Determining whether an arrangement containes a lease (in force as of 1 January 2006).**

IFRIC Interpretation 4 requires the determination of whether a corporate arrangement is or contains a lease. More specifically, it requires that the following are estimated: a) if the fulfillment of the arrangement depends on the use of specific asset(s) and b) if the arrangement entitles the lessee only to use the asset. The Management assesses that the Interpretation 4 is not expected to have an effect on the accounting presentation of the existing arrangements.

- **IFRIC Interpretation 5, Rights to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (in force as of 1 December 2006).**

IFRIC Interpretation 5 does not apply to the Group.

- **IFRIC Interpretation 6, Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment (in force as of 1 December 2005).**

IFRIC Interpretation 6 does not apply to the Group.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all the companies that are controlled by the parent company. The existence of potential voting rights that are exercisable at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated in consolidation. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity to the ones adopted by the Group. In the parent company's balance sheet subsidiaries are valued at cost less impairment.

In case of transactions concerning the increase of the Group's shareholding to subsidiaries, which do not fall under IFRS 3, the Group recognizes all consequences resulting from the difference between the fair value of the amount paid and the carrying amount of the minorities acquired, directly to equity.

(b) Joint Ventures

The Group's investments in joint-ventures are recorded according to proportionate consolidation (except for those which are inactive at the date of first adoption of IFRS, which are consolidated with the equity method as described above). The Group adds its share from the income, expenses, assets and liabilities and cash flows of each joint-venture with the respective figures of the Group.

The Group recognises the share in the gains or losses from sales of the Group to the joint-ventures which is attributed to the other partners of the joint-venture. The Group does not recognise its share in the gains or losses of the joint-ventures which resulted from purchases of the Group by the joint-ventures until the assets acquired are sold to a third party. Occurring losses from such a transaction is recognised directly if it shows a reduction of the net realizable value of assets or impairment. The accounting principles of the joint-ventures have been adjusted in order to be in conformity to the ones adopted by the Group. In the balance sheet of the parent company, joint-ventures are valued at cost less impairment.

2.4 Segment reporting

Business segment is defined as a group of assets and liabilities that are engaged in providing individual products or services that are subject to risks and returns that are different from those of other business segments. Geographical segment is a geographical area, in which products or services provided are subject to risks and returns that are different from those of other geographical areas.

2.5 Foreign currency translation

(a) Operating and presentation currency.

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in Euro, which is the operating currency and the reporting currency of the parent Company.

(b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the year and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

2.6 Investments in property

Properties held under long-lasting leases or capital gains or both and are not used by Group companies are classified as investments in property. Investments in property include privately owned fields and buildings.

Investments in property are recognised initially at cost, including the relevant direct acquisition costs. After initial recognition, investments in property are valued at cost less depreciation and any impairments. Investment buildings are amortised based on their estimated useful life which is 40 years less preserved buildings have not been refurbished, which are amortised in 20 years.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

If an investment in property is modified to an asset for own use, then it is classified in tangible assets. Properties constructed or developed for future use as investments in property are classified as tangible assets and are recorded at cost till the construction or development is completed, when they are re-classified and recorded as investments in property. Respectively, investments in property for which the Group had pre-agreed their sale are classified as inventories.

2.7 Leases

(a) Group company as lessee

The leases of assets through which the Group undertakes in effect all the risks and rewards of ownership are classified as operating leases. Operating leases expenses are recognized to the income statement proportionally during the lease period and include any restoration of the property if provided for in the leasing contract.

(b) Group company as lessor

The Group leases assets only through operating leases. Operating leases income are recognized to the income statement of the year proportionally during the period of the lease.

2.8 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Land is not depreciated. Depreciation of the other tangible assets is calculated using the straight line method over their useful life as follows:

- Vehicles	5 - 7	Years
- Other equipment	3 - 5	Years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date.

When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement. (Note 2.10).

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is booked as profit or loss to the results.

Expenditure on construction of assets is capitalised for the period required for the completion of the construction. All other expenditure are recognised to the income statement.

2.9 Intangible assets

Intangible assets mainly include software licenses valued at acquisition cost less depreciation. Depreciation are accounted for with the straight line method during the useful lives which vary from 1 to 3 years.

2.10 Impairment of assets

Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the fair value less any relevant sales expenses and the value in use. For the calculation of impairment losses assets are included in the minimum cash generating units. Impairment losses are recorded as expenses in the income statement when they arise.

2.11 Investments and other financial assets

From 1 January to 31 December 2004

Financial assets include investments in companies which are not subsidiaries, associates or joint-ventures, liabilities and other securities. Financial assets are recognised at cost except for the shares of companies not consolidated, which are listed in a stock market and are valued at the average stock price of December.

From 1 January 2005

Group financial assets have been classified to the following categories according to the reason for which each investment was made. The Group defines the classification at initial recognition and reviews the classification at each balance sheet date.

(a) Financial assets valued at fair value through the income statement

These comprise assets that are held for trading purposes. Derivatives are classified as held for trading purposes except when they are designated as hedges. Assets falling under this category are recorded in the current assets if they are held for trading purposes or are expected to be sold within 12 months from the balance sheet date.

(b) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets and there is no intention of selling them. They are included in current assets except those with a maturity date exceeding 12 months from the balance sheet date. The latter are included in the non-current assets. Loans and receivables are included in the trade and other receivables account in the balance sheet.

(c) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories. They are included in the non-current assets given that the Management does not intend to liquify them within 12 months from the balance sheet date.

Purchases and sales of investments are recognised at the date of the transaction which is the date when the Group is committed to buy or sell the asset. Investments are recognised at fair value plus expenditure directly related to the transaction, with the exception, regarding directly related expenditure, of those assets which are valued at fair value with changes in the income statement. Investments are eliminated when the right of cash flows from the investments ends or is transferred and the Group has transferred in effect all risks and rewards implied by the ownership.

Then available for sale financial assets are valued at fair value and the relative gains or losses are recorded to an equity reserve till those assets are sold or characterised as impaired. Upon the sale or when the assets are characterised as impaired, the gains or losses are transferred to the income statement. Impairment losses recognised to the income statement are not reversed through the income statement.

The loans and receivables are recognized in unamortized cost using the effective interest method.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets valued at fair value through the income statement, are recognized in the profit and loss of the period they occur.

The fair values of financial assets that are traded in active markets, are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

At each balance sheet date the Group assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, any accumulated loss in Equity, which is the difference between acquisition cost and fair value, is transferred to the results. Impairment losses of shares are recorded to the income statement and are not reversed through the income statement.

2.12 Inventories

Inventories are valued at the lower value between cost and net realisable value. The cost is calculated using the weighted average cost method. The cost of end products and semi-finished inventories includes cost of design, materials, average working cost and a proportion of the general cost of production.

Investments in properties to which a construction initiates aiming at a future sale are re-clasified as inventories at book value at the balance sheet date. From now on they will be calculated at the lowest between cost and net realisable value. The cost of inventories does not include financial expenses. The net realisable value is calculated using current sales prices during the normal course of the company's business less any relevant sales expenses.

2.13 Trade receivables

From 1 January 2004 to 31 December 2004

Trade receivables are initially booked at their book value less the provision for doubtful receivables. Provision for doubtful receivables is recognised when there is objective evidence that the Group is unable to collect all the amounts owed based on contractual terms. The amount of the provision is the difference between the book value and the amount expected to be collected. The amount of the provision is recognised as an expense in the income statement of the period.

From 1 January 2005

Trade receivables are recorded at book value less the provision for doubtful receivables. Provision for doubtful receivables is recognised when there is objective evidence that the Group is unable to collect all the amounts owed based on contractual terms. The amount of the provision is the difference between the book value and the present value of future cash flows. The amount of the provision is recognised as an expense in the income statement of the period.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand, sight deposits, short term (up to 3 months) highly liquid and low risk investments.

2.15 Share capital

The share capital includes the common shares of the Company.

2.16 Loans

Loans are recorded initially at fair value, net of any direct expenses of the transaction. Then they are valued at unamortized cost using the real interest rate method. Any difference between the amount received (net of any relevant expenses) and the value of the payment is recognised to the income statement during the borrowing using the real interest rate method.

Loans are recorded as short term liabilities except when the Group has the right to postpone the settlement of the liability for at least 12 months from the balance sheet date.

2.17 Deferred income tax

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss. Deferred tax assets and liabilities are valued taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

2.18 Employee benefits

(a) (a) Post-employment benefits

Post-employment benefits include defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial profit and losses that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average service time of the scheme's participants. The cost for the service time is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is booked in the results using the straight line method within the maturity period.

(b) Benefits for employment termination

Termination benefits are payable when employment is terminated before the normal retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed formal plan for which there is no withdrawal possibility, or when it provides such benefits as an incentive for voluntary redundancy. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted.

In case of an employment termination where there is inability to assess the number of employees to use such benefits, a disclosure for a contingent liability is made but no accounting treatment is followed.

2.19 Provisions

Provisions for outstanding legal cases are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated.

In such cases where the Group, as lessee, is contractually obliged to restore the leased property to an agreed state, prior to delivery to the lessor, a provision is made for this cost when the cost results.

2.20 Recognition of income

Income mainly arises from operating leases, sales of properties, real estate services and technical projects.

Income from operating leases are recognised to the income statement using the straight line method during the lease period. When the Group provides incentives to its clients, the cost of these incentives is recognised through the lease period with the straight line method deductively of the income from the lease.

Income from the provision of services and real estate management are recorded in the period during which the services are rendered, based on the stage of completion of the service in relation to total services to be provided.

In the case where the Group acts as a representative, the commission and not the net income is recorded as income.

2.21 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability at the date on which the distribution is approved by the General Meeting of the shareholders.

3 Business risk management

3.1 Financial risk factors

The Group is exposed to several financial risks such as market risk (volatility in foreign exchange rates, interest rates, market prices), credit risk and liquidity risk.

The risk management is monitored by the Financial department and is determined by rules approved by the Board of Directors. The Financial department determines and estimates the financial risks in collaboration with the services managing those risks. The Board of Directors provides directions on the general management of the risk as well as specialised directions on the management of specific risks such as the interst rate risk, the credit riks, the use of derivative and non-derivative financial instruments, as well as the investment of cash.

(a) Market risk

The Group is exposed to a risk from the change of the value of properties and leases.

(b) Credit riks

The Group does not have significant accumulations of credit risk. It has developed policies in order to ensure that the leasing agreements are concluded with customers of sufficient credit rating. The Group has procedures which limit its exposure to credit risk from individual credit institutions.

(c) Liquidity risk

The liquidity risk is kept at low levels by retaining sufficient cash and immediately liquidated financial assets as well as credit lines.

(d) Cash flow risk and risk of changes in the fair values due to the change in interest rates

The interest rate risk is mainly resulting from long term loans. Group's policy is to constantly monitor the tendencies of interest rates as well as the financing needs of the Group. Therefore, the decisions on the duration of the loans as well as the relation between the stable and floating interest rate are considered separately at each case.

4 Critical accounting estimates and judgments of the management

The management's estimates and judgments are constantly reviewed and are based on historic data and expectations for future events which are deemed fair according to existing data.

4.1 Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(a) Provision for the cover of a liability of a purchase of 33% shareholding by Hellenic Telecommunications Organisation (OTE) to the subsidiary LOFOS PALLINI

By virtue of a contract dated 28/2/2002 between the company and OTE S.A. regarding the subsidiary LOFOS PALLINI S.A., OTE has the right to sell the 33% stake it holds in said subsidiary to REDS S.A., against a minimum set consideration. The Company has recognized a provision to cover this obligation. The assessment for this provision was based on the contract's special terms stipulating a minimum guaranteed purchase consideration, increased upon achievement of certain sales targets by the subsidiary. The amount of the provision rises to €18.3 million and has increased REDS's investment cost as at 01.01.2004 in said subsidiary, now consolidated at 100%.

(b) Participation impairment provision

i. Further to (a) above, REDS's plain balance sheet as at 01.01.2004 recognises a provision for the impairment of the company's participation in the subsidiary LOFOS PALLINI S.A., to the amount of €7.500.000. Provision assessment was performed based on the subsidiary's business plan, the forecasted cash flows, and the provision stipulated in (a) above, and is offset by the parent company's estimated gains from said project.

ii. REDS's plain balance sheet recognises a provision for the impairment of the company's participation in the subsidiary PMS SA, to the amount of € 273.224. After operating at a loss for three years, said subsidiary stopped operating in 2004. The parent company REDS recognised a provision for the impairment of its participation as at 01.01.2004, based on the amount it anticipates to recover from the subsidiary.

(c) Income tax

Estimates are required in determining the provision for income taxes that the Group is subjected to. There are several transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.2 Considerable judgments of the Management on the application of the accounting principles

Distinction between investments in property and assets used by the company.

The Group determines whether an asset is characterized as investment property. In order to form the relevant assumption, the Group considers the extent to which a property generates cash flows, for the most part independently of the rest of the assets owned by the company. Assets used by the company generate cash flows which are attributed not only to the properties but also to other assets used either in the production procedure or in the purchasing procedure.

5 IFRS Transition

5.1 Adoption of IFRS 1

The financial statements of the Group for the year ended 31 December 2005 are the first financial statements prepared under IFRS and have been drawn up as described in Note 2.1. The Group has applied IFRS 1 for the preparation of the financial statements.

The Group's transition date is the 1st January 2004. The Group prepared its opening IFRS balance sheet on that date. The reference date of the interim consolidated financial statements is the 31 st December 2005. The Group's IFRS adoption date is the 1 st January 2005.

In preparing these financial statements in accordance with IFRS 1, the Group has applied certain of the optional exemptions and all the mandatory exceptions from full retrospective application of IFRS, as follows:

5.2 Exemption from full retrospective application elected by the Group

The Group has elected to apply the following optional exemptions from full retrospective IFSR application:

(a) *Business combinations exemption*

The Group has applied the business combinations exemption in IFRS 1 and has not applied IFRS 3 in business combinations that took place before the transition date, the 1st January 2004.

(b) *Fair value as deemed cost exemption*

The Group has elected to appraise property investments and some fixed assets at fair value as at 1 January 2004 and adopt it as "deemed cost".

(c) *Employee benefits exemption*

The Group has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

(d) *Exemption from restatement of comparatives for IAS 32 and IAS 39*

The Group has elected to apply this exemption. It applies Greek GAAP rules to financial assets and financial liabilities for 2004. The adjustments required for differences between Greek GAAP and IAS 32 and IAS 39 have been determined and recognised at 1 January 2005.

(e) *Designation of financial assets and financial liabilities exemption*

The Group has elected to apply the comparatives exemption for IAS 32 and IAS 39 (see (d) above). The Group has reclassified investments in the share capital of non-consolidated companies as available-for-sale investments and as financial assets at fair value through the income statement. The adjustments relating to IAS 32 and IAS 39 have taken place as appropriate on the opening balance sheet date of 1 January 2005, which is the IAS 32/39 transition date.

5.3 Reconciliations between IFRS and Greek GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS:

- Balance sheet as at 1st January 2004 (Note 5.3.1)
- Balance sheet as at 31st December 2004 (Note5.3.2)
- FY 2004 Income statement (Note 5.3.3)
- Equity as at 1st January and 31st December 2004 (Note 5.3.4)
- FY 2004 net profit (Note 5.3.5)

5.3.1 Balance Sheet reconciliation at 1st January 2004

All amounts in Euro.

	CONSOLIDATED			COMPANY		
ASSETS	**Greek GAAP**	**Adjustments**	**IFRS**	**Greek GAAP**	**Adjustments**	**IFRS**
Non-current assets						
Investment property	-	101.488.873	101.488.873	-	30.109.737	30.109.737
Property, plant & equipment	113.348.464	(112.894.511)	453.953	41.804.047	(41.594.086)	209.961
Intangible assets	2.622.797	(2.601.819)	20.978	1.262.584	(1.246.090)	16.493
Investments in subsidiaries	-	-	-	28.473.353	10.553.612	39.026.964
Deferred tax asset	-	4.025.029	4.025.029	-	3.435.074	3.435.074
Prepayments for operating leases		10.277.174	10.277.174	-	10.277.174	10.277.174
Other non-current receivables	130.514	-	130.514	130.514	-	130.514
	116.101.775	294.746	116.396.521	71.670.497	11.535.420	83.205.918
Current assets						
Inventories	35.582.537	1.581.719	37.164.256	-	-	-
Trade debtors and other receivables	9.123.353	(1.259.707)	7.863.646	5.347.470	384.221	5.731.691
Financial assets at fair value through P&L	25	-	25	25	-	25
Cash and cash equivalents	3.214.318	-	3.214.318	959.575	-	959.575
	47.920.233	322.012	48.242.244	6.307.069	384.221	6.691.290
Total Assets	**164.022.008**	**616.758**	**164.638.766**	**77.977.567**	**11.919.641**	**89.897.208**
EQUITY CAPITAL						
Share Capital	53.869.960	12.415.440	66.285.401	53.869.960	12.415.440	66.285.401
Share premium /Other reserves	77.317.772	(12.415.440)	64.902.331	19.893.159	(12.415.440)	7.477.719
Retained earnings	(19.692.251)	(16.532.278)	(36.224.529)	(13.987.073)	(6.395.916)	(20.382.989)
	111.495.481	(16.532.278)	94.963.203	59.776.047	(6.395.916)	53.380.131
Minority interest	4.228.470	(4.228.470)	-	-	-	-
Adjusted consolidation balance	(3.043.199)	3.043.199	-	-	-	-
Total Equity	112.680.752	(17.717.549)	94.963.203	59.776.047	(6.395.916)	53.380.131
LIABILITIES						
Non-current liabilities						
Retirement benefit obligations	79.447	(5.765)	73.682	76.244	(12.818)	63.426
Other non-current liabilities	435.271	42.976	478.247	478.247	-	478.247
Other long-term provisions	-	18.326.836	18.326.836	-	18.326.836	18.326.836
	514.719	18.364.047	18.878.765	554.491	18.314.018	18.868.509
Current liabilities						
Trade and other payables	31.327.997	13.236	31.341.233	17.647.028	1.539	17.648.568
Borrowings	19.498.540	(42.976)	19.455.564	-	-	-
	50.826.537	(29.740)	50.796.797	17.647.028	1.539	17.648.568
Total liabilities	51.341.256	18.334.307	69.675.563	18.201.520	18.315.557	36.517.077
Total equity and liabilities	**164.022.008**	**616.758**	**164.638.766**	**77.977.567**	**11.919.641**	**89.897.208**

5.3.2 Balance Sheet reconciliation at 31st December 2004

All amounts in Euro.

	CONSOLIDATED			COMPANY		
ASSETS	**Greek GAAP**	**Adjustments**	**IFRS**	**Greek GAAP**	**Adjustments**	**IFRS**
Non-current assets						
Investment property	-	97.734.297	97.734.297	-	26.998.943	26.998.943
Property, plant & equipment	111.588.508	(111.266.392)	322.116	40.848.199	(40.621.543)	226.656
Intangible assets	1.398.914	(1.389.663)	9.251	657.188	(650.272)	6.916
Investments in subsidiaries	-	-	-	86.258.353	(46.868.841)	39.389.511
Deferred tax asset	-	2.721.049	2.721.049	-	2.392.605	2.392.605
Prepayments for operating leases	-	10.173.145	10.173.145	-	10.173.145	10.173.145
Other non-current receivables	156.741	-	156.741	156.741	-	156.741
	113.144.162	(2.027.564)	111.116.598	127.920.480	(48.575.964)	79.344.516
Current assets						
Inventories	23.402.196	2.754.859	26.157.055	-	2.777.514	2.777.514
Trade debtors and other receivables	18.895.112	(1.790.289)	17.104.822	7.627.884	388.783	8.016.666
Financial assets at fair value through P&L	25	-	25	25	-	25
Cash and cash equivalents	10.727.496	-	10.727.496	849.340	-	849.340
Assets held for sale	-	45.417	45.417	-	-	-
	53.024.829	1.009.986	54.034.815	8.477.248	3.166.297	11.643.545
Total Assets	**166.168.991**	**(1.017.578)**	**165.151.413**	**136.397.728**	**(45.409.667)**	**90.988.061**
EQUITY CAPITAL						
Share Capital	124.759.904	(51.781.043)	72.978.861	67.337.451	5.641.410	72.978.861
Share premium /Other reserves	11.867.869	(5.641.410)	6.226.459	63.848.122	(63.063.863)	784.259
Retained earnings	(17.263.195)	40.535.330	23.272.135	(13.709.469)	(7.184.730)	(20.894.199)
	119.364.577	(16.887.123)	102.477.454	117.476.104	(64.607.183)	52.868.921
Minority interest	6.192.542	(6.192.542)	-	-	-	-
Adjusted consolidation balance	(5.064.632)	5.064.632	-	-	-	-
Total Equity	120.492.488	(18.015.033)	102.477.454	117.476.104	(64.607.183)	52.868.921
LIABILITIES						
Non-current liabilities						
Borrowings	20.000.000	-	20.000.000	-	-	-
Retirement benefit obligations	88.298	(17.319)	70.978	88.298	(18.986)	69.312
Other non-current liabilities	449.352	42.976	492.328	492.328	-	492.328
Other long-term provisions	-	18.326.836	18.326.836	-	18.326.836	18.326.836
	20.537.650	18.352.493	38.890.142	580.626	18.307.850	18.888.476
Current liabilities						
Trade and other payables	25.138.854	(4.415.996)	20.722.857	18.340.998	889.666	19.230.664
Current income tax liabilities	-	3.060.959	3.060.959	-	-	-
	25.138.854	(1.355.037)	23.783.817	18.340.998	889.666	19.230.664
Total liabilities	45.676.504	16.997.456	62.673.959	18.921.624	19.197.516	38.119.140
Total equity and liabilities	**166.168.991**	**(1.017.578)**	**165.151.413**	**136.397.728**	**(45.409.667)**	**90.988.061**

5.3.3 Reconciliation of the Income Statements of the financial year 2004

All amounts in Euro.

	CONSOLIDATED			COMPANY		
	Greek GAAP	**Adjustments**	**IFRS**	**Greek GAAP**	**Adjustments**	**IFRS**
Sales	42.327.167	(869.654)	41.457.513	14.553.803	(869.654)	13.684.148
Cost of sales	(27.714.806)	1.049.443	(26.665.363)	(11.951.265)	949.978	(11.001.287)
Gross Profit	**14.612.361**	**179.789**	**14.792.150**	**2.602.537**	**80.324**	**2.682.861**
Other operating income/(expenses) -net	2.107.854	(54.144)	2.053.710	315.925	-	315.925
Administrative expenses	(4.421.455)	880.850	(3.540.605)	(2.053.344)	173.331	(1.880.013)
Operating results	**12.298.759**	**1.006.495**	**13.305.254**	**865.118**	**253.655**	**1.118.773**
Finance income/(expenses)- net	(838.713)	-	(838.713)	(57.014)	-	(57.014)
Profit before income tax	**11.460.047**	**1.006.495**	**12.466.542**	**808.104**	**253.655**	**1.061.760**
Income tax	(3.648.311)	(1.303.979)	(4.952.291)	(530.501)	(1.042.469)	(1.572.970)
Minority interest	(1.964.072)	1.964.072	-	-	-	-
Net profit for the year	**5.847.663**	**1.666.588**	**7.514.251**	**277.603**	**(788.814)**	**(511.210)**

5.3.4 Reconciliation of Equity

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	01.01.2004	31.12.2004	01.01.2004	31.12.2004
Equity according to the Greek GAAP	**112.680.752**	**120.492.488**	**59.776.047**	**117.476.104**
Measurement of property held for sale at net realisable value	(792.712)	(792.712)	(792.712)	(792.712)
Write-off of intangible assets not meeting the recognition criteria of IAS38	(2.398.044)	(2.683.555)	(1.246.090)	(1.354.376)
Impairment of investments	-	-	(7.773.224)	(7.773.224)
Recognition of differed tax asset.	3.821.254	2.517.275	3.435.074	2.392.605
Recognition of retirement benefit obligation.	5.765	17.320	12.818	18.986
Impairment of property, plant and equipment	(97.340)	(97.340)	(30.242)	(30.242)
Retrospective application of IAS 17 for operating lease	(75.445)	(1.273.887)	(1.539)	(1.273.887)
Reversal of increase of cost of investment with the nominal value of the bonus shares received	-	-	-	(57.422.453)
Recognition of liability for the purchase of minority interest in subsidiary	(18.326.836)	(18.326.836)	-	-
Retrospective change of property, plant and equipment useful economic life	145.809	2.624.703	-	1.628.121
Total	**(17.717.549)**	**(18.015.033)**	**(6.395.916)**	**(64.607.183)**
Total Equity according to IFRS	**94.963.203**	**102.477.454**	**53.380.131**	**52.868.921**

5.3.5 Net profit for the year 2004

All amounts in Euro.

	CONSOLIDATED	COMPANY
	31.12.2004	31.12.2004
Total profit after tax according to Greek GAAP	**7.811.735**	**277.603**
IFRS transition adjustments		
Reversal of profit of operating leases over the period of lease	(869.654)	(869.654)
Offsetting error of amortization of eliminated intangible assets	1.373.349	704.105
Difference in depreciation due to difference of useful life from the adoption of IFRS	1.065.019	924.016
Deferred taxation	(1.303.979)	(1.042.469)
Restatement of operating lease expense, relating to reinstating cost	(402.693)	(402.693)
Staff compensation provision	11.555	6.168
Effect of write-off of the intangible assets according to IFRS	(171.080)	(108.286)
Total IFRS transition restatements	**(297.484)**	**(788.814)**
Total Profit according to IFRS	**7.514.251**	**(511.211)**

6 Segment reporting

(a) Primary reporting format– business segments

On 31 December 2004 and 2005, the Group is active in 3 main business segments:

- Real estate development & sale
- Leasing out of owned buildings
- Real estate management & services

The figures per segment for the year ended 31 December 2005 are as follows:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Total
Sales	25.829.916	4.082.619	879.793	30.792.328
Operating results	5.738.816	1.831.837	(188.624)	7.382.029
Administration expenses				(2.567.881)
Other operating income/(expenses) -net				322.452
Total operating results -profit /(loss)				5.136.600
Finance income/(expenses)-net				(674.608)
Profit before tax				4.461.992
Income tax				(1.792.087)
Net year profit from ongoing activities				**2.669.905**

The figures per segment for the year ended 31 December 2004 are as follows:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Total
Sales	25.702.450	3.939.335	11.825.327	41.467.112
Operating results	9.628.107	1.752.706	3.411.337	14.792.150
Administration expenses				(3.540.605)
Other operating income/(expenses) -net				2.053.710
Total operating results -profit /(loss)				13.305.255
Finance income/(expenses)-net				(838.713)
Profit before tax				12.466.542
Income tax				(4.952.291)
Net year profit from ongoing activities				**7.514.251**

Other figures per segment included in the figures of 31 December 2005 are the following:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Other	Total
Depreciation of PPE	31.236	25.132	-	19.306	75.674
Depreciation of intangible assets	1.977	2.832	-	4.240	9.049
Depreciation of investement property	-	604.609	-	-	604.609
Total	33.213	632.573	-	23.546	**689.332**

Other figures per segment included in the figures of 31 December 2005 are the following:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Other	Total
Depreciation of PPE	31.236	47.798	4.971	7.701	91.706
Depreciation of intangible assets	1.977	2.900	173	7.578	12.629
Depreciation of investement property	-	592.940	-	-	592.940
Total	33.213	643.638	5.144	15.279	**697.275**

Transfers and transactions between segments are effected in real market terms and conditions according to those valid for transactions with third parties.

Segment assets and liabilities on 31st December 2005 are as follows:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Other	Total
Assets	22.360.171	119.955.993	78.202	245.201	**142.639.567**
Liabilities	1.578.439	33.957.111	34.993	1.274.762	**36.845.305**
Equity	20.781.732	85.998.882	43.209	(1.029.561)	**105.794.262**
Investments in tangible, intangible assets and investments property	-	2.488.899	-	-	**2.488.899**

Segment assets and liabilities on 31st December 2004 are as follows:

All amounts in Euro.

	Real estate sales	Leasing out of owned buildings	Real estate services	Other	Total
Assets	33.879.519	130.916.387	159.750	195.758	**165.151.414**
Liabilities	24.272.445	38.313.969	18.506	69.312	**62.674.232**
Equity	9.607.074	92.602.418	141.244	126.446	**102.477.182**
Investments in tangible, intangible assets and investments property	-	87.763	-	-	**87.763**

(b) *Secondary reporting format– geographical segments*

No data are presented per geographical segment because the largest part of the Group's activities takes place in Greece. The activity abroad is in a state of development.

7 Investment property

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Cost				
Balance sheet at the beginning of the year	**98.327.237**	**101.488.873**	**27.456.377**	**30.109.737**
Additions	2.518.302	124.154	1.263.967	124.154
(Transfer to Inventories)	(2.957.000)	(2.777.514)	(2.957.000)	(2.777.514)
Disposal	-	(508.276)	-	-
Balance sheet at the end of the year	**97.888.539**	**98.327.237**	**25.763.344**	**27.456.377**
Accumulated depreciation				
Balance sheet at the beginning of the year	**(592.940)**	**-**	**(457.434)**	**-**
Depreciation for the year	(604.609)	(592.940)	(469.103)	(457.434)
Balance sheet at the end of the year	**(1.197.549)**	**(592.940)**	**(926.537)**	**(457.434)**
Net book value	**96.690.990**	**97.734.297**	**24.836.808**	**26.998.943**

The value of the property belonging to subsidiary “YALOU COMMERCIAL & TOURIST S.A.” was reassessed due to the introduction into the town plan of approx. 133,000 sq.m., by virtue of Government Gazette (FEK) issue 319/2005, approving the town planning design of the “Yalou Business Park – Spata”. The above subsidiary company’s total property of approx. 173,000 sq.m. was reassessed at euro 41,9 million, compared to euro 31,3 million appearing on these financial statements, under “Investment real estate”, based on IAS 40. For the rest of the properties the fair value does not present significant differences from the net book value.

Income from operating leases of investment properties:

All amounts in Euro.

	COMANY	
	31 December 2005	31 December 2004
Up to 12 months	3.973.635	4.971.148
Between 1 and 5 years	22.583.865	21.657.021
Over 5 years	68.727.126	73.627.605
Total	**95.284.627**	**100.255.775**

8 Tangible assets (property, plant and equipment)

All amounts in Euro.

	CONSOLIDATED					
	Land & Buildings	**Transportation equipment**	**Mechanical equipment**	**Furniture & other equipment**	**PPE under construction**	**Total**
01 January 2004	149.557	2.465	50.103	442.554	-	644.679
Additions	-	-	-	48.704	38.159	86.863
Disposal	(81.577)	-	-	-	-	(81.577)
Reclassifications to assets held for sale	-	-	(50.000)	-	-	(50.000)
31 December 2004	**67.980**	**2.465**	**103**	**491.258**	**38.159**	**599.965**
01 January 2005	**67.980**	**2.465**	**103**	**491.258**	**38.159**	**599.965**
Additions	-	-	-	7.126		7.126
Reclassifications from assets held for sale	-	-	50.000	-		50.000
Reclassifications from assets under construction	-	-	-	-	(38.159)	(38.159)
31 December 2005	**67.980**	**2.465**	**50.103**	**498.384**	**-**	**618.932**
Accumulated depreciation						
01 January 2004	**-**	**(832)**	**(103)**	**(189.792)**	**-**	**(190.727)**
Depreciation for the year	-	(369)	(4.583)	(86.753)	-	(91.705)
Reclassifications to assets held for sale	-	-	4.583	-	-	4.583
31 December 2004	**-**	**(1.201)**	**(103)**	**(276.545)**	**-**	**(277.849)**
01 January 2005	**-**	**(1.201)**	**(103)**	**(276.545)**	**-**	**(282.432)**
Depreciation for the year	-	(369)	-	(75.304)	-	(75.674)
31 December 2005	**-**	**(1.570)**	**(103)**	**(351.849)**	**-**	**(358.106)**
Net book value as of 31 December 2004	**67.980**	**1.264**	**-**	**214.713**	**38.159**	**322.116**
Net book value as of 31 December 2005	**67.980**	**895**	**50.000**	**146.535**	**-**	**260.826**

	COMPANY				
	Transportation equipment	Mechanical equipment	Furniture & other equipment	PPE under construction	Total
01 January 2004	2.465	103	374.321	-	376.889
Additions	-	-	48.704	38.159	86.863
31 December 2004	**2.465**	**103**	**423.025**	**38.159**	**463.752**
01 January 2005	**2.465**	**103**	**423.025**	**38.159**	**463.752**
Additions	-	-	7.126		7.126
Reclassifications from assets under construction	-	-	-	(38.159)	(38.159)
31 December 2005	**2.465**	**103**	**430.151**	**-**	**432.719**
Accumulated depreciation					
01 January 2004	**(832)**	**(103)**	**(165.994)**	**-**	**(166.929)**
Depreciation for the year	(369)	-	(69.798)	-	(70.167)
31 December 2004	**(1.201)**	**(103)**	**(235.792)**	**-**	**(237.096)**
01 January 2005	**(1.201)**	**(103)**	**(235.792)**	**-**	**(237.096)**
Depreciation for the year	(369)	-	(59.193)	-	(59.562)
31 December 2005	**(1.570)**	**(103)**	**(294.985)**	**-**	**(296.658)**
Net book value as of 31 December 2004	**1.264**	**-**	**187.233**	**38.159**	**226.656**
Net book value as of 31 December 2005	**894**	**-**	**135.166**	**-**	**136.060**

There are no impairments on the tangible assets within 2004 and 2005.

A mortgage has been registered on a real property owned by the parent company, to secure a bond loan taken out by the subsidiary company “LOFOS PALLINI S.A.”, to a total amount of EUR 24 mil., the outstanding balance on 31.12.2005 being EUR 100 thousand, and will be repaid in the first half of 2006. There are no encumbrances on the property of the other Group companies.

9 Intangible assets

All amounts in Euro.

	CONSOLIDATED	COMPANY
	Software	**Software**
01 January 2004	48.375	40.919
Additions	900	900
31 December 2004	**49.275**	**41.819**
01 January 2005	**49.275**	**41.819**
Additions	1.630	1.630
31 December 2005	**50.905**	**43.449**
Accumulated depreciation		
01 January 2004	**(27.396)**	**(24.425)**
Depreciation for the year	(12.628)	(10.478)
31 December 2004	**(40.024)**	**(34.903)**
01 January 2005	**(40.024)**	**(34.903)**
Depreciation for the year	(9.049)	(7.072)
31 December 2005	**(49.073)**	**(41.975)**
Net book value as of 31 December 2004	**9.251**	**6.916**
Net book value as of 31 December 2005	**1.832**	**1.474**

10 Group participations in companies consolidated

The companies of the Group consolidated with the full consolidation method are the following :

COMPANY	PARTICIPATION %	PARTICIPATION COST
KANTZA EMPORIKI S.A.	100%	11.185.288
GYALOU EMPORIKI & TOURISTIKI S.A.	100%	8.353.110
P.M.S. PARKING SYSTEMS S.A.	100%	86.775
LOFOS PALLINI S.A.	67%	19.764.339
Total		**39.389.511**

The Company has recognized a provision to cover this obligation. The assessment for this provision was based on the contract's special terms stipulating a minimum guaranteed purchase consideration, increased upon achievement of certain sales targets by the subsidiary. The amount of the provision rises to €18.3 million and has increased REDS's investment cost as at 01.01.2004 in said subsidiary, now consolidated at 100%.

11 Joint Ventures

As at 12/07/2005 the Company acquired 50% of the share capital of "3G S.A." for the total consideration of Euro 10.770. The Company consolidates 3G S.A. as of that date as a joint venture using the proportional consolidation method.

The following amounts represent the company's share of assets and liabilities in joint ventures which were consolidated with the proportional consolidation method and are included in the balance sheet:

All amounts in Euro.

	3G S.A.
Assets	78.202
Liabilities	34.993
Equity	43.209

12 Inventories

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Finished products	9.710.379	2.777.514	2.777.514	2.777.514
Semi- finished products	3.132.375	23.379.541	3.132.375	-
Total	**12.842.754**	**26.157.055**	**5.909.889**	**2.777.514**

On 2/11/2005 a building license was issued for the construction of 30 residences on a privately owned plot of 7,780 sq.m. in KANTZA, Pallini, "Trigono Kambas" location. In the following quarter, the € 2,957,000 lot, will be transferred from "Investments in real estate" to Inventories.

13 Receivables

There is no credit risk accumulation in relation to the receivables from clients, since the Group's client receivables mostly come from lease contracts and notarial sales with corresponding guarantees and penal clauses to secure receivables.

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Customers	8.252.446	8.940.832	3.516.695	5.478.775
Less : Provision for impairment	(2.673.379)	(2.673.379)	(2.673.379)	(2.673.379)
Trade receivables net	**5.579.067**	**6.267.453**	**843.316**	**2.805.396**
Income tax prepayment	1.186.569	-	494.804	44.350
Prepayments for operating leases	10.212.748	10.561.927	10.212.748	10.561.927
Other receivables	1.726.161	2.356.399	1.354.893	315.987
Other receivables - Related parties	2.571.536	8.248.929	1.385.641	4.618.891
Total	**21.276.081**	**27.434.708**	**14.291.402**	**18.346.552**
Prepayments for operating leases	9.823.965	10.173.145	9.823.965	10.173.145
Other non-current receivables	72.184	156.741	72.184	156.741
Total non-current assets	9.896.149	10.329.886	9.896.149	10.329.886
Current assets	11.379.931	17.104.822	4.395.253	8.016.666
	21.276.080	**27.434.708**	**14.291.402**	**18.346.552**

The amount of the receivables impairment provision concerns old client balances from the parent company's activity, as a wine-making company, which were appraised and accounted for as bad debts following the company's placement under the provisions of article 44, Law 1892/90 in 1997.

On 12/2/2002, the company concluded a 30-year lease of a property on which it has constructed Entertainment facilities in Ilion, Attica; after the lapse of the lease, ownership of the property shall be transferred to the lessor. The facilities construction cost shall be recognised in the results pro rata to the duration of the lease.

14 Cash and cash equivalents

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Cash on hand and in Banks	9.526.034	10.727.496	1.777.114	849.340

15 Share capital

All amounts in Euro.

	Number of shares	Share's face value	Common shares	Share premium	Total
01 January 2004	31.688.212	1,70	53.869.960	12.415.440	66.285.401
Issuance of new shares /(decrease)	7.922.053	1,70	13.467.490	(6.774.030)	6.693.460
31 December 2004	**39.610.265**	**1,70**	**67.337.450**	**5.641.410**	**72.978.861**
01 January 2005	**39.610.265**	1,70	**67.337.450**	**5.641.410**	**72.978.861**
Issuance of new shares /(decrease)	-	-	-	-	-
31 December 2005	**39.610.265**	**1,70**	**67.337.450**	**5.641.410**	**72.978.861**

16 Reserves

All amounts are in Euro.

	CONSOLIDATED				
	Statutory reserves	Special reserves	Untaxed reserves	Other reserves	Total
01 January 2004	98.658	232.062	453.540	64.118.072	64.902.332
Transfer from/to the income statements	278.130	5.161.911	-	(57.422.453)	(51.982.413)
Share capital increase /decrease	-	-	-	(6.693.460)	(6.693.460)
31 December 2004	**376.788**	**5.393.972**	**453.540**	**2.159**	**6.226.459**
01 January 2005	**376.788**	**5.393.972**	**453.540**	**2.159**	**6.226.459**
Transfer from/to the income statements	101.457	-	-	-	101.457
31 December 2005	**478.245**	**5.393.972**	**453.540**	**2.159**	**6.327.916**

	COMPANY				
	Statutory reserves	Special reserves	Untaxed reserves	Other reserves	Total
01 January 2004	98.658	232.062	453.540	6.693.460	7.477.719
Share capital increase /decrease	-	-	-	(6.693.460)	(6.693.460)
31 December 2004	**98.658**	**232.062**	**453.540**	**-**	**784.259**
01 January 2005	**98.658**	**232.062**	**453.540**	**-**	**784.259**
Share capital increase /decrease	-	-	-	-	-
31 December 2005	**98.658**	**232.062**	**453.540**	**-**	**784.259**

17 Trade and other payables

The Company's liabilities from its commercial activity are free of interest rates.

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Suppliers	885.565	1.720.938	320.933	455.604
Accrued expenses	67.607	19.608	67.607	19.608
Insurance organizations and other taxes/duties	658.099	279.419	535.796	139.673
Down payment for operating leases	4.408.389	2.909.043	4.408.389	2.909.043
Other liabilities	5.502.531	1.536.719	4.804.175	1.515.750
Other liabilities to associates	6.831.433	14.749.460	6.830.141	14.683.315
Total	**18.353.624**	**21.215.186**	**16.967.042**	**19.722.992**
Long term	320.753	492.328	320.753	492.328
Short term	18.032.871	20.722.858	16.646.289	19.230.664
Total	**18.353.624**	**21.215.186**	**16.967.042**	**19.722.992**

18 Borrowings

All amounts in Euro.

	CONSOLIDATED	
	31 December 2005	**31 December 2004**
Bond loans	100.000	20.000.000
Total long term borrowings	**100.000**	**20.000.000**

A mortgage has been registered on a real property owned by the parent company, to secure a bond loan taken out by the subsidiary company "LOFOS PALLINI S.A.", to a total amount of EUR 24 mil., the outstanding balance on 31.12.2005 being EUR 100 thousand, and will be repaid in the first half of 2006. There are no encumbrances on the property of the other Group companies.

The parent company has received no loans.

19 Provisions

All amounts in Euro.

	Provision for acquisition of minority interest in subsidiary
1 January 2004	18.326.836
31 December 2004	**18.326.836**
1 January 2005	18.326.836
31 December 2005	**18.326.836**

Breakdown of total provisions:

The Company has recognized a provision to cover this obligation. The assessment for this provision was based on the contract's special terms stipulating a minimum guaranteed purchase consideration, increased upon achievement of certain sales targets by the subsidiary. The amount of the provision rises to €18.3 million and has increased REDS's investment cost as at 01.01.2004 in said subsidiary, now consolidated at 100%.

20 Deferred taxes

Deferred tax receivables and liabilities are compensated when there is an applical legal right to compensate the current tax receivables against the current tax liabilities and when the deferred income taxes regard the same tax authority. The amounts compensated are the following:

All amounts in Euro.

	CONSOLIDATED		**COMPANY**	
	31 December 2005	**31 December 2004**	**31 December 2005**	**31 December 2004**
Deferred tax claims:				
Recoverable after 12 months	2.586.123	2.608.682	2.283.007	2.392.605
Recoverable within 12 months	169.140	112.368	-	-
Total	**2.755.263**	**2.721.049**	**2.283.007**	**2.392.605**

The total change in deferred income tax is the following:

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Balance at beginning of the year	(2.721.049)	(4.025.029)	(2.392.605)	(3.435.074)
Income statements debit/(credit)	(34.213)	1.303.979	109.598	1.042.469
Balance at end of the year	**(2.755.262)**	**(2.721.050)**	**(2.283.007)**	**(2.392.605)**

Changes in deferred tax receivables and liabilities during the financial year without accounting the compensation of the balances within the same tax authority are the following:

Deferred tax liabilities:

All amounts in Euro

	CONSOLIDATED	COMPANY
	Other	Other
01 January 2004	4.486	4.486
Income statements debit/(credit)	694.639	694.639
31 December 2004	**699.125**	**699.125**
01 January 2005	699.125	699.125
Income statements debit/(credit)	(6.103)	(6.103)
31 December 2005	693.022	693.022

Deferred tax receivables:

All amounts in Euro.

	CONSOLIDATED				
	Provisions	Accelerated tax depreciation	Tax losses	Other	Total
01 January 2004	2.469	803.890	78.731	3.144.426	4.029.516
Income statements debit/(credit)	(2.052)	(570.340)	33.637	(70.586)	(609.341)
Equity (debit)/credit	-	-	-	-	-
31 December 2004	**417**	**233.550**	**112.368**	**3.073.840**	**3.420.175**
01 January 2005	417	233.550	112.368	3.073.840	3.420.175
Income statements debit/(credit)	1.052	(377.678)	56.772	347.965	28.111
Equity (debit)/credit	-	-	-	-	-
31 December 2005	**1.468**	**(144.128)**	**169.140**	**3.421.805**	**3.448.285**

	COMPANY				
	Provisions	Accelerated tax depreciation	Tax losses	Other	Total
01 January 2004	-	318.619	-	3.120.941	3.439.560
Income statements debit/(credit)	-	(286.260)	-	(61.570)	(347.830)
Equity (debit)/credit	-	-	-	-	-
31 December 2004	**-**	**32.358**	**-**	**3.059.371**	**3.091.730**
01 January 2005	-	32.358	-	3.059.371	3.091.730
Income statements debit/(credit)	-	(276.081)	-	160.381	(115.700)
Equity (debit)/credit	-	-	-	-	-
31 December 2005	**-**	**(243.723)**	**-**	**3.219.752**	**2.976.029**

21 Retirement benefit obligations

The amounts recognized in the Balance sheet are the following:

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Present value of unfunded obligations	70.055	70.978	63.580	69.312
Unrecognised actuarial profit/(loss)	(5.210)	-	(4.608)	-
Liability in the Balance Sheet	**64.845**	**70.978**	**58.972**	**69.312**

The amounts recognized in the income statement are the following:

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Current service cost	12.810	17.218	8.603	17.218
Finance cost	2.512	2.831	2.512	2.201
Net actuarial profits /(losses) recognised during the year	660	(6.017)	660	-
Losses on the curtailment	(5.700)	-	(5.700)	-
Total included in staff costs	**10.282**	**14.033**	**6.075**	**19.419**

The changes in liabilities that have been recorded in the balance sheet are:

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Beginning of the year	70.978	70.479	69.312	63.426
Contributions paid	(16.415)	(13.533)	(16.415)	(13.533)
Total expense charged in the income statement	10.282	14.033	6.075	19.419
End of the year	**64.845**	**70.978**	**58.972**	**69.312**

The main actuarial admittances used for accounting purposes are the following:

Discount interest rate:	
- On 31/12/2004	3,03%
- On 31/12/2005	3,59%
Future increase in salaries	4,00%

22 Financial income (expenses) - net

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Interest expenses				
Bank borrowings and other liabilities	883.308	838.713	479.103	57.014
Interest income				
Net interest income/(expenses)	217.728	67.655	42.324	16.173
Total	**665.580**	**771.058**	**436.779**	**40.841**

23 Employee benefits

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Wages and salaries	1.492.578	1.205.182	788.148	860.271
Social security expenses	554.749	355.119	138.096	152.711
Pension costs -defined benefit plans	10.282	14.033	6.075	19.419
Other employee benefits	16.155	15.721	15.872	15.721
Total	**2.073.764**	**1.590.055**	**948.191**	**1.048.122**

24 Expenses per category

All amounts in Euro.

	CONSOLIDATED					
	31 December 2005			31 December 2004		
	Cost of sales	Administrative expenses	Total	Cost of sales	Administrative expenses	Total
Employee benefits	1.598.315	475.448	2.073.763	1.131.033	459.022	1.590.055
Inventories used	16.384.890	-	16.384.890	10.876.444	-	10.876.444
Depreciation of PPE	40.257	35.417	75.674	43.620	48.086	91.706
Depreciation of intangible assets	2.832	6.217	9.049	173	12.454	12.627
Depreciation of investment in property	469.103	135.506	604.609	457.434	135.506	592.940
Operating lease rental	1.602.156	-	1.602.156	1.464.983	-	1.464.983
Third parties fees for technical projects	2.206.916	738.910	2.945.826	11.245.307	737.980	11.983.287
Other	1.105.831	1.176.384	2.282.215	1.446.370	2.147.556	3.593.926
Total	**23.410.299**	**2.567.882**	**25.978.181**	**26.665.363**	**3.540.605**	**30.205.968**

	COMPANY					
	31 December 2005			31 December 2004		
	Cost of sales	Administrative expenses	Total	Cost of sales	Administrative expenses	Total
Employee benefits	527.662	420.531	948.193	628.431	419.690	1.048.121
Depreciation of PPE	40.257	19.306	59.563	38.193	31.975	70.168
Depreciation of intangible assets	2.832	4.240	7.072	-	10.478	10.478
Depreciation of investment in property	469.103	-	469.103	457.434	-	457.434
Operating lease rental	1.602.156	-	1.602.156	1.479.859	-	1.479.859
Third parties fees for technical projects	1.752.493	610.514	2.363.007	7.871.568	575.686	8.447.254
Other	510.401	556.577	1.066.978	525.803	842.183	1.367.986
Total	**4.904.903**	**1.611.168**	**6.516.071**	**11.001.288**	**1.880.012**	**12.881.300**

25 Income tax

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	**31 December 2004**	**31 December 2005**	**31 December 2004**
Current tax	1.826.187	3.648.311	783.911	530.501
Deferred tax	(34.100)	1.303.979	109.598	1.042.469
Total	**1.792.087**	**4.952.291**	**893.508**	**1.572.970**

The parent Company has been tax audited by the tax authorities through FY 2000 and therefore its financial obligations for the rest of the years (2001-2005) cannot be considered as final. The detailed table on the unaudited years of all the companies consolidated is the following :

COMPANY	**Unaudited Years**	
REDS S.A.	2000-2005	Tax audit
KANTZA EMPORIKI S.A.	1999-2005	According to L.3148/2003
GYALOU EMPORIKI & TOURISTIKI S.A.	2002-2005	-
P.M.S. PARKING SYSTEMS S.A.	2003-2005	According to L.3259/2004
LOFOS PALLINI S.A.	2002-2005	-
3G A.E.	2003-2005	According to L.3259/2004

26 Other income/ expenses

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Profit/(loss) from the sale of investment property	411.071	1.757.844	-	-
Rents	120.876	162.645	79.664	38.102
Other profits / (losses)	(218.523)	65.565	93.578	261.650
Total	**313.424**	**1.986.055**	**173.242**	**299.752**

27 Earnings per share

The basic earnings per share are calculated by dividing the profit attributed to the shareholders of the parent company with the weighted average number of common shares during the period, except for the own shares held by subsidiaries (treasury stock). In case the number of shares is increased with the issuance of free shares, the new number of shares is applied to the comparative data as well.

The Company does not hold any shares convertible to common shares which are deductive of the profits. For this reason the readjusted earnings per share are equal to the earnings per share basic.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Profit corresponding to the parent company's shareholders	2.669.905	7.514.251	(937.324)	(511.210)
Number of shares	39.610.265	39.610.265	39.610.265	39.610.265
Profit/(loss) per share	0,0674	0,1897	(0,0237)	(0,0129)

28 Dividends per share

The company shall not allocate any dividend since it has not covered accumulated losses.

29 Operating cash flows

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	**31 December 2004**	**31 December 2005**	**31 December 2004**
Profit/(loss) for the period	**2.669.905**	**7.514.251**	**(937.324)**	**(511.210)**
Adjustments for :				
– income tax expense	1.792.087	4.952.291	893.508	1.572.970
– Depreciation of tangible assets	75.674	91.706	469.103	457.434
– Depreciation of intangible assets	9.049	12.628	59.563	70.168
– Depreciation in investment property	604.609	592.940	7.072	10.478
Profit/(loss) from sale in investment in property	-	(1.676.268)	-	-
– Interest income	(217.727)	(67.655)	(42.324)	(16.173)
– Interest expenses	883.308	838.713	479.103	57.014
	5.816.904	**12.258.606**	**928.701**	**1.640.679**
Working capital changes				
– (Increase)/decrease in inventories	16.271.301	13.784.715	(175.375)	-
– (Increase)/decrease in receivables	6.919.046	(9.989.656)	4.505.604	(2.978.901)
– Increase/(decrease) in liabilities	(2.214.659)	(10.604.295)	(2.109.047)	1.596.177
– Increase/(decrease) of post -employment benefits	(6.133)	(2.704)	(10.340)	5.886
	20.969.555	**(6.811.940)**	**2.210.842**	**(1.376.838)**
Net cash flows from operating activities	**26.786.459**	**5.446.666**	**3.139.543**	**263.842**

	CONSOLIDATED		COMPANY	
In the cash flow statements, proceeds from sale of investment property comprise :	**31 December 2005**	**31 December 2004**	**31 December 2005**	**31 December 2004**
Net book value	-	589.852	-	-
Profit /(loss) on sale of investment property	-	1.676.268	-	-
Proceeds from sale of investment property	**-**	**2.266.120**	**-**	**-**

30 Acquisitions

As at 12/07/2005 the Company acquired 50% of the share capital of “3G S.A.” for the total consideration of Euro 10.770. The Company consolidates 3G S.A. as of that date as a joint venture using the proportional consolidation method.

31 Commitments

The following amounts refer to commitments for operating property leases from the parent company. The rest companies from the Group have no commitments.

All amounts in Euro.

	COMPANY	
	31-Dec-05	31-Dec-04
Up to 1 year	576.584	591.682
Between 1 and 5 years	3.200.075	3.093.476
More than 5 years	22.971.735	23.654.918
	26.748.394	**27.340.076**

32 Contingent liabilities

The Group has contingent liabilities in relation to banks, other guarantees and other issues resulting within its normal course of operation. Contingent liabilities are not expected to generate significant charges.

33 Related party transactions

All amounts in Euro.

	CONSOLIDATED		COMPANY	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Receivables	1.404.148	1.062.011	1.385.641	4.618.881
Liabilities	6.831.270	14.683.315	6.830.141	14.683.315

	CONSOLIDATED		CONSOLIDATED	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
Sales	2.171.353	9.501.831	2.084.641	9.501.831
Purchases	1.118.074	7.728.985	1.118.074	7.728.985

	CONSOLIDATED		CONSOLIDATED	
	31 December 2005	31 December 2004	31 December 2005	31 December 2004
BoD & Key management remuneration	490.347	401.291	415.112	317.297

34 Other notes

- The parent company and the subsidiary companies employee 27 employees.
- At 28/07/2005, the Company entered into an agreement with "LA SOCIETE GENERALE IMMOBILIERE ESPAGNE (LSGIE)", concerning the disposal of 100% of the shares of "KANTZA TRADE S.A.", a subsidiary of REDS. The total consideration will amount to 70 million Euro. The completion of the transaction is subject to the acquisition of the neighbouring real estate properties of "KANTZA S.A." and issuance of the necessary licences for the development of the property held by "KANTZA TRADE S.A." in the area of Kanzta, Pallini. The completion of the transaction is expected by the end of 2009.
- The company has no disputes under litigation or arbitration, not are there any court of arbitration decisions that are likely to have a significant impact on the Company's financial position.
- "REDS S.A." is included in the consolidated financial statements of "ELLINIKI TECHNODOMIKI TEB S.A." which owns 50,83% of the share capital and is domiciled in Greece.

35 Post balance sheet events

There are not important events after the balance sheet date, for the parent Company and its subsidiaries.

Athens, March 24, 2006

PRESIDENT OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	THE MEMBER OF BoD	FINANCIAL MANAGER
DIMITRIOS KOUTRAS	ANASTASIOS KALLITSANTSIS	IOANNIS MORAITIS	CHRISTOS ADAMOPOULOS