REDS Real Estate Development & Services SA

Annual Financial Statements
prepared according to the International Financial Reporting Standards
for the year ended 31 December 2007

REDS REAL ESTATE DEVELOPMENT & SERVICES SA
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PUBLIC COMPANIES REG. NO. 13564/06/B/86/123 – File no 340340

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Year 2007 Annual Financial Statements

It is hereby confirmed that the attached Financial Statements are the ones that were approved by the Board of Directors of REDS SA on 27/3/2008, and were posted on the internet at www.reds.gr. Note that the summary figures published in the press aim at providing readers with some general financial data, but do not provide a complete picture of Company and Group financial position and results, according to the International Accounting Standards

Dimitrios Koutras

Chairman of the Board of Directors

REDS S.A.

Board of Directors Report

1. Course of activities and main events in fiscal year 2007

The real estate market is in a transitional stage with sometimes controversial aspects such as the following:

- The tax system remains quite complex (although it has been attempted to simplify it) and is undergoing continuous changes which lead to uncertainty and a waiting position;
- Declining tendencies in the housing sector;
- Increase of demand in certain sectors, such as A' class office premises.

Throughout 2007, REDS liquidated developments and acquired real estate in Romania. At the same time, it promoted the development of large real estate in Kantza and Yialou, and proceeded to the acquisition of real estate for the development of office areas and a medium scale commercial centre.

The most important events in 2007 were the following:

- In June 2007, the Shopping Malls Escape in Ilion and Veso Mare in Patras were sold against a total consideration of € 40.5 mil., to companies of the HENDERSON investment group. The liquidation of the specific investments was effected before the first indications of decline appeared. The adjustment of the valuations incurred in fiscal year 2003 according to the Hellenic Accounting Standards optimized the tax consequences.

- In June 2007, a pre-contract for the sale of all the shares in the company under the name YIALOU COMMERCIAL & TOURIST SA was concluded with HENDERSON investment group against an assessed consideration of €70 mil., subject to the completion of construction and lease of the "Business Park" to be developed by the Company on part of its property in the area of Yialou. After that, the Company completed the preparation of the required architectural and environmental studies for the issuance of the building permits for the property and, at the same time, it conducted a market research for prospective buyers.

- The process for integration of the property in Kantza in the town plan was continued, although at a slower pace on the part of the various Authorities involved. The target set for 2007 in respect of the approval of boundaries for a Productive Activities Organized Development Area (PAODA) of the tertiary sector was not reached and is expected to be completed in 2008. It is noted that these procedures are a prerequisite for the completion of the agreement with LSGIE regarding the sale of all the shares in KANTZA COMMERCIAL S.A., which owns the property.

- In June 2007 a pre-contract was signed regarding the acquisition of a 6,500 sq.m. plot located at a central area in the Municipality of Elefsina. On the above property a building for commercial use will be constructed, with a total rentable space of 9,400 sq.m. The purchase of the plot of land, after its inclusion in the town plan, is expected to be completed in 2009 and the construction process is scheduled on an 18-month time frame.

- The sale of the residences located in the residential estate of Lofos Edison of the subsidiary LOFOS PALLINI S.A. has been completed.

- The construction works were continued in respect of the residential estate Ampelia in Kantza, consisting of 28 residences allocated in 5 independent buildings, on a 7,780 sq.m. plot of land.

- The purchase process was completed in respect of a plot of land of a total surface of 8,000 sq.m. located at Athinon Avenue (Akadimia Platonos), near the new premises of the ATHEX, where a 19,000 sq.m. building of offices will be constructed with 380 parking spaces.

- The Company holds 11.67% in the share capital of ATHENS METROPOLITAN EXPO S.A., which has undertaken, by virtue of a concession agreement until 31.12.2025, the development and operation of the new Exhibition & Congress Centre (of a total commercial area of 50,000 sq.m.) to be constructed in the area of the Athens International Airport.

- As regards the Romanian market:
  - a plot of land of a total surface of 6,000 sq.m. was acquired through the subsidiary PROFIT CONSTRUCT S.R.L. in Splaiul Unirii in downtown Bucharest, where a mixed use building complex will be constructed,
  - an 8,500 sq.m. plot of land was acquired through the subsidiary CLH ESTATE S.R.L. at lake Baneasa in Bucharest, where a luxury residential estate will be constructed.

Finally, in 2007 the Company participated in tenders through cooperation with other companies for the development of exhibition areas, commercial and congress centres.

2. Results for 2007 and Prospects

The main financial figures for year 2007 and their variance in comparison to the previous year involve the following significant aspects:

- The profit of the parent company REDS REAL ESTATE DEVELOPMENT & SERVICES SA amounted to € 6,279 thousands after tax, compared to € 801 thousands of the previous year. The increase in 2007 profit is mostly attributed to the sale of shopping malls Escape and Veso Mare.

- The profit of LOFOS PALLINI S.A. amounted to € 579 thousands after tax, against € 583 thousands of the previous year. Despite the drop in sales and gross profit margin from 22% in 2006 to 19% in 2007, the profitability remained at the same level due to the increased financial income and the reduced operational expenses.

- In 2007, KANTZA COMMERCIAL S.A., YIALOU COMMERCIAL AND TOURIST S.A. and PMS PARKING SYSTEMS S.A. had zero turnover and reported losses amounting in total to € 87 thousands after tax, against profit of € 326 thousands in 2006. The 2006 profitability was the result of extraordinary income from the expropriation of a plot of land.

- Foreign subsidiaries CLH ESTATE S.R.L. and PROFIT CONSTRUCT S.R.L in Romania, as well as CORREA HOLDINGS LTD and KARTEREDA HOLDINGS LIMITED in Cyprus reported loss amounting to € 2,308 thousands, mostly due to financial costs and exchange differences.

- In 2007, 3G S.A., in which the Company holds 50%, reported profit amounting to €158 thousands in total after tax, against €127 thousands after tax in 2006.

The following tables present in summary the changes in main figures in the Company's simplified and consolidated financial statements.

GROUP	2007	2006	Change
Turnover	29,863,293	13,577,651	119.9%
Gross profit /(loss)	12,951,265	4,851,414	167.0%
Profit/(loss) before tax	6,860,592	3,864,565	77.5%
Profit/(loss) after tax	4,361,651	2,033,481	114.5%

COMPANY	2007	2006	Change
Turnover	27,169,250	6,955,713	290.6%
Gross profit /(loss)	12,218,787	2,834,265	331.1%
Profit /(loss) before tax	8,738,220	2,242,934	289.6%
Profit/(loss) after tax	6,278,902	800,838	684.0%

The dividend recommended for 2007 amount to 0.06 € per share and the total to be distributed to the shareholders will amount to 2,376,615.90 €.

The following financial indices were applied for the valuation of the results at a consolidated financial statements level:

- **Return on Capital Employed** (ROCE): The ratio of profit before tax and financial results against capital employed, i.e. the aggregate of equity (owned capital), loans and long-term provisions.
- **Return on Equity** (ROE): The ratio of profit after tax against equity.

These indices were formed as follows, based on the consolidated financial statements of 2006 and 2007:

Index	2007	2006
ROCE	4.5%	2.8%
ROE	3.9%	1.9%

For the valuation of the above indices, it should be taken into consideration that the Company applies the Cost Method for the assessment of its investment properties.

The targets for 2008 with regard to the existing project include the following:

- **A property in Kantza, Attica.** In 2008, the process of delimitation of a tertiary sector PAODA is expected to be completed. The issuance of the relevant building permits is not expected to be finalized before 2010.

- **A property in Yialou, Attica.** In 2008 or in early 2009 and upon issuance of the respective building permit, it is expected that the final contract will be signed with MACARTHURGLEN HELLAS LLC in respect of the sale of part of the property owned by YIALOU COMMERCIAL AND TOURIST S.A., pursuant to the pre-contract signed in 2006. A few months before or after that, it is expected that the relevant permits will be issued in respect of the Business Park on another part of the property, for which a pre-contract of sale has been executed with HENDERSON (see "1. Course of activities and main events in fiscal year 2007").

- **Residential estate Ampelia in Kantza, Attica.** The construction of the 28 residences will be completed in 2008. Although the time-frame had been different, the sales commenced in 2008 instead of 2007, in anticipation of the new statutory regulations regarding 1st and 2nd residence to enter into effect.

- **Building of offices in Akadimia Platonos.** The process of issuance of the building permit for the construction of a 19,000 sq.m. building will be completed within the first half of 2008 and the project is expected to be completed in 2009.

- **Residential estate in Lake Baneasa of Bucharest**. The issuing of the building permit is expected to be completed immediately. The relevant works will commence within the first half of 2008 and will be completed in approximately 2 years' time.

- **Building estate of mixed use in Splaiul Unirii of Bucharest.** In 2008 a plot of land of 2,016 sq.m. was purchased, adjacent to an existing plot of 6,000 sq.m. (see "4. Events after 31.12.2007"). It is expected that the entire plot will be in the town plan and the building permit will be issued around the end of 2009 or early 2010, and the relevant time-frame of construction is approximately 2.5 years.

- **Building for commercial use in Elefsina.** The purchase of a 6,500 sq.m. plot of land (a pre-contract is in place) is expected to be completed in 2009, after it is included in the town plan, and the time-frame for the construction of the building is estimated at 18 months.

- **Exhibition Centre at the Athens International Airport.** It is expected that the construction of the centre will be completed by the end of 2008.

Apart from the existing projects, REDS has also set the following targets:
- The development of new residential estates and office spaces in Greece and abroad.
- The participation in tenders for the development of exhibition areas, commercial centres, congress centres and office spaces.

3. Risks

The major risks involved are the following:

- The lack of a clear statutory frame concerning issues of urban planning and zoning, affecting the development of the Company's real estate, is a factor of delay in the completion of the projects which are already in progress and a source of difficulty in acquiring land with great potential for development.

- The general recession in the financial sector results in the increase of interest rates and more unfavorable terms of financing in general. These developments may result in the increase of borrowing costs.

- The expansion of the activities abroad involves the usual risks of any entity attempting to establish a presence in a foreign market, including the foreign exchange risk.

- The decrease in the prices and merchantability of real estate may affect the financial results of the Company or impede the regular course of the Company's activities.

4. Events after 31.12.2007

The most significant events after 31.12.2007 include the following:

- In February 2008, the Company acquired an additional building area in Splaiul Unirii at downtown Bucharest through the acquisition of DAMBOVITA ESTATE S.R.L. by the subsidiary company PROFIT CONSTRUCT S.R.L. The total area of the building plot is now 8,016 sq.m.

- The joint venture between REDS S.A. - LAMDA DEVELOPMENT S.A., in which the Company participates by 50%, was awarded contractor in the tender regarding the exploitation of a property owned by Hadjiconsta Foundation located in Chalandri, Attica, of an area of 25,714 sq.m, involving a long-term plan for lease of said property. It is expected that a building for professional use will be constructed on the above property.

Athens, 27 March 2008

For the Board of Directors

The Chairman of the Board

Dimitrios Koutras

Explanatory Board Of Directors Report

OF REDS, REAL ESTATE DEVELOPMENT & SERVICES S.A., ON THE 2007 MANAGEMENT YEAR (PURSUANT TO ARTICLE 11[a] § 1 & 2 OF LAW 3371/2005, AS IN FORCE).

1[a]. Share capital structure

The Company's share capital currently amounts €51,889,447.15, divided into 39,610,265 common registered shares at a par value of €1.31 each. All shares are common, registered with voting right, listed in the securities market of the Athens Stock Exchange, and specifically in the Large Capitalisation category.

1[b]. The Articles of Association stipulate no restrictions in the transfer of shares, apart from those stipulated by Law.

1[c]. Significant direct or indirect participations as at 31.12.2007, according the provisions of Law 3556/2007.

	SHAREHOLDERS	%
1	Elliniki Technodomiki TEB AE	50,83%
2	Diamantis P. Diamantides	10,36%
3	Christos P. Panayiotopoulos	7,48%

1d. There are no shares with special auditing rights

1e. The Articles of Association stipulate no restrictions in the voting rights, and voting deadlines, apart from the ones stipulated by Law.

1f. There are no agreements between shareholders, that are known to the Company and that entail transfer of shares restrictions or voting rights restrictions.

1g. There are no rules regarding the appointment of Board of Directors members, or amendment of the Articles of Association, that deviate from the provisions of Law 2190/1920.

1h. The Board of Directors or certain members of the Board of Directors are not competent to issue new shares or purchase own shares as per article 16 of law 2190/1920, except as stipulated by Law.

1i. The Company has signed no material agreement entering into effect, amended or expiring in case of change in the Company's control though public offering.

1j. The Company has not concluded any agreement with its Board members or staff, stipulating compensation in case of resignation or dismissal without grounded reason, or expiry of office or employment because of public offering, except as stipulated by Law.

Athens, 27 March 2008

THE BOARD OF DIRECTORS

The Chairman of the Board

Dimitrios Koutras

Independent Certified Auditor-Accountant's Audit report

To the Shareholders of

"REDS Real Estate Development & Services SA"

Report on the Financial Statements

We have audited the accompanying financial statements of REDS Real Estate Development and Services SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the company and consolidated balance sheet as of 31 December 2007 and the company and consolidated 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 European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek auditing standards which conform with 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 and the Group as of 31 December 2007, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the note 30 of the financial statements, which refers to the uncertainty relating to the un-audited tax years of the Group Companies and the pending legal dispute between the consolidated subsidiary “Lofos Pallini SA” and the municipality of Pallini.

Reference to Other Legal and Regulatory Requirements

The Board of Directors’ Report contains all information required by articles 43a paragraph 3, 16 paragraph 9 and 107 paragraph 3 of Law 2190/1920 and article 11a of Law 3371/2005, and is consistent with the financial statements referred to in the preceding paragraph.

Athens , 30 March 2008

The Certified Auditor - Accountant

PriceWaterHouseCoopers

Certified Auditors Accountants

268 Kifisias Ave

152 32 Halandriι

SOEL Reg.No 113

Marios Psaltis

SOEL Reg.No 38081

Balance Sheet

All amounts in Euro.

		THE GROUP		THE COMPANY	
	Note	31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS					
Non-current assets					
Tangible assets	7	272.229	217.995	106.768	99.319
Intangible assets	8	38.190	37.077	26.851	36.894
Investments in real property	6	101.641.460	107.451.874	13.359.758	35.268.810
Investments in subsidiaries	9	-	-	39.406.512	39.390.511
Investments in joint ventures	10	-	-	10.770	10.770
Deferred tax assets	20	2.483.408	2.393.294	1.810.531	2.035.989
Long-term available-for-sale financial assets	11	119.414	-	119.000	-
Advances for long-term Operating Leases	13	-	9.432.146	-	9.432.146
Other non-current receivables	13	1.842.390	77.028	1.842.390	77.028
		106.397.091	**119.609.413**	**56.682.581**	**86.351.468**
Current assets					
Inventories	12	6.214.480	9.026.078	6.203.172	6.719.997
Trade debtors and other receivables	13	3.684.877	7.232.075	3.638.521	4.304.912
Available for sale, Investments short term		25	25	25	25
Cash and cash equivalents	14	44.164.490	23.353.827	16.262.635	2.435.689
		54.063.871	**39.612.004**	**26.104.352**	**13.460.623**
Total Assets		**160.460.962**	**159.221.417**	**82.786.934**	**99.812.090**
EQUITY CAPITAL					
Equity capital attributed to shareholders					
Share capital	15	51.889.447	51.889.447	51.889.447	51.889.447
Share premium reserve	15	95.973	95.973	95.973	95.973
Other reserves	16	8.991.084	6.391.107	1.128.687	814.742
Profit carried forward		50.653.298	49.451.216	6.148.030	579.176
		111.629.802	**107.827.743**	**59.262.137**	**53.379.338**
Total equity		**111.629.802**	**107.827.743**	**59.262.137**	**53.379.338**
CREDITORS					
Non-current liabilities					
Long-term loans	18	20.493.045	-	-	-
Retirement benefit obligation	21	44.401	84.058	44.401	82.342
Other non-current liabilities	17	42.976	3.715.215	42.976	3.715.215
Other long-term provisions	19	18.326.836	18.326.836	18.326.836	18.326.836
		38.907.258	**22.126.109**	**18.414.213**	**22.124.393**
Current Liabilities					
Suppliers and other liabilities	17	9.709.036	17.356.366	5.108.778	12.418.481
Current tax obligations (Income tax)		161.031	1.161.198	-	1.139.878
Short-term loans	18	52.030	10.750.000	-	10.750.000
Dividend payable		1.805	-	1.805	-
		9.923.903	**29.267.564**	**5.110.583**	**24.308.359**
Total liabilities		**48.831.160**	**51.393.674**	**23.524.796**	**46.432.753**
Total equity and liabilities		**160.460.962**	**159.221.417**	**82.786.934**	**99.812.090**

The notes on pages 20 to 54 are an integral part of these financial statements.

Income statement

All amounts in Euro, except earnings per share.

	Note	THE GROUP		THE COMPANY	
		31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Sales		29.863.293	13.577.651	27.169.250	6.955.713
Cost of sales	24	(16.912.028)	(8.726.237)	(14.950.463)	(4.121.448)
Gross Profit		**12.951.265**	**4.851.414**	**12.218.787**	**2.834.265**
Administration expenses	24	(3.716.522)	(2.872.095)	(2.484.729)	(1.628.338)
Other operating income / (expenses) (net)	26	(2.505.894)	1.808.133	(1.120.887)	1.352.616
Operating results		**6.728.849**	**3.787.452**	**8.613.171**	**2.558.544**
Income from dividend		-	-	60.536	12.590
Financial income (expenses) - net	22	131.743	77.112	64.513	(328.200)
Profit before tax		**6.860.592**	**3.864.565**	**8.738.220**	**2.242.934**
Income tax	25	(2.498.941)	(1.831.084)	(2.459.317)	(1.442.096)
Net profit for the period		**4.361.651**	**2.033.481**	**6.278.902**	**800.838**
Profit per share - basic (€)	27	0,1101	0,0513	0,1585	0,0202

The notes on pages 20 to 54 are an integral part of these financial statements.

Statement of changes in equity

All amounts in Euro.

THE GROUP

	Share capital	Share premium reserve	Other reserves	Results carried forward	Total
1-Jan-06	**67.337.451**	**5.641.410**	**6.327.916**	**26.487.485**	**105.794.262**
Share capital issue / increase	5.545.437	(5.545.437)	-	-	-
Share capital issue / (decrease)	(20.993.440)		-	20.993.440	-
Net profit for the year	-	-	-	2.033.481	2.033.481
Transfer from / to Reserves	-	-	63.190	(63.190)	-
31-Dec-06	**51.889.448**	**95.973**	**6.391.107**	**49.451.216**	**107.827.743**
1-Jan-07	**51.889.448**	**95.973**	**6.391.107**	**49.451.216**	**107.827.743**
Net profit for the year	-	-	-	4.361.651	4.361.651
Dividend distributed	-	-	-	(396.103)	(396.103)
Transfer from / to Reserves	-	-	2.763.466	(2.763.466)	-
FX differences	-	-	(163.489)		(163.490)
31-Dec-07	**51.889.448**	**95.973**	**8.991.084**	**50.653.298**	**111.629.802**

THE COMPANY

	Share capital	Share premium reserve	Other reserves	Results carried forward	Total
1-Jan-06	**67.337.451**	**5.641.410**	**784.259**	**(21.184.620)**	**52.578.500**
Share capital issue / increase (note 15)	5.545.437	(5.545.437)	**-**	**-**	-
Share capital issue / (decrease) (note 15)	(20.993.440)	-	-	20.993.440	-
Net profit for the year	-	-	-	800.838	800.838
Transfer from / to Reserves	-	-	30.483	(30.483)	-
31-Dec-06	**51.889.448**	**95.973**	**814.742**	**579.175**	**53.379.338**
1-Jan-07	**51.889.448**	**95.973**	**814.742**	**579.175**	**53.379.338**
Net profit for the year	-	-	**-**	**6.278.902**	6.278.902
Dividend distributed	-	-	-	(396.103)	(396.103)
Transfer from / to Reserves	-	-	313.945	(313.945)	-
31-Dec-07	**51.889.448**	**95.973**	**1.128.687**	**6.148.030**	**59.262.137**

The notes on pages 20 to 54 are an integral part of these financial statements.

Cash flow statement

All amounts in Euro.

	Note	THE GROUP		THE COMPANY	
		31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Operating Activities					
Profit before tax		6.860.592	3.864.565	8.738.220	2.242.934
Plus/less adjustments for:					
Depreciation	6,7,8	508.166	686.688	304.564	544.915
Provisions	21	(39.657)	19.213	(37.941)	23.370
Foreign exchange differences		197.327	-	-	-
Results (income, expenses, profits and loss) from investing activity		1.189.104	(443.165)	2.080.322	(33.155)
Debit interests and related expenses	22	1.270.327	366.053	385.802	348.764
Plus/less adjustments for differences in working capital balances or in balances related to operating activities:					
Decrease / (increase) in inventories	12	2.811.598	3.816.676	516.825	(810.108)
Decrease / (increase) in receivables		10.829.014	4.534.831	8.315.932	260.062
(Decrease) / increase in liabilities (except banks)		(11.319.570)	2.717.957	(10.981.943)	(833.345)
Less:					
Debit interest and similar paid charges	22	(1.270.327)	(366.053)	(385.802)	(348.764)
Taxes paid		(3.240.084)	(1.022.152)	(3.356.494)	(542.654)
Total inflows / (outflows) from operating activities (a)		**7.796.489**	**14.174.613**	**5.579.485**	**852.018**
Investing Activities					
Acquisition /sales of subsidiaries, affiliates, joint ventures and other investments	9	(4.544.003)	-	(16.001)	(1.000)
Purchase of tangible and intagible fixed assets		(12.669.200)	(11.442.926)	(527.585)	(10.978.538)
Income from the sale of tangible and intangible fixed assets		19.543.945	2.940	19.543.494	2.940
Interests received	22	1.402.069	443.165	450.314	20.564
Available for sale investments purchased	11	(119.414)	-	(119.000)	-
Dividend received		-	-	60.536	12.590
Total inflows / (outflows) from investing activities (b)		**3.613.397**	**(10.996.821)**	**19.391.759**	**(10.943.444)**
Financing Activities					
Proceeds from loans	18	23.545.075	10.750.000	3.000.000	10.750.000
Repayment of loans	18	(13.750.000)	(100.000)	(13.750.000)	-
Dividend payable		(394.297)		(394.297)	
Total financing activities inflow /(outflow) (c)		**9.400.777**	**10.650.000**	**(11.144.297)**	**10.750.000**
Net increase/(decrease) in cash and cash equivalents for the year (a)+(b)+(c)	14	20.810.664	13.827.793	13.826.946	658.575
Cash and cash equivalents at beginning of the year	14	23.353.826	9.526.034	2.435.689	1.777.114
Cash and cash equivalents at end of the year		**44.164.490**	**23.353.826**	**16.262.635**	**2.435.689**

The notes on pages 20 to 54 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Company and Group operate in "Real estate management". The core activity is the development, sale or operation of property that is owned or leased through operating leases. The Group mostly operates in Greece.

The Company has been organised and is established in Greece, headquartered at 25 Ermou str., N. Kifissia, Attica.

The company's shares are listed in the Athens Stock Exchange, in the "Real estate holding & Development" category.

These financial statements have been approved the Company's Board of Directors on March 27, 2008 and are under approval by the General Meeting which will take place on May 23th, 2008. There are also available in the company's website: www. reds.gr.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared according to the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union, as well as the IFRS issued by the International Accounting Standards Boards (IASB).

All IFRS issued by IASB valid at the time of preparing these statements are adopted by the European Council through the confirmation procedure of the European Union (EU), except from 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.

This consolidated financial information has been prepared under the historical cost convention

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 periods beginning from January 1st 2007. The Group's assessment regarding the effect of the aforementioned new standards and interpretations is as follows:

Mantadory standards for year 2007

- **IFRS 7 – Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures**

This standard and amendment introduce further disclosures with a view to improving information provided on financial instruments, and do not impact on the classification and valuation of the Group's financial instruments, nor on the disclosures pertaining to taxation and suppliers and other liabilities. The provisions of this standard have been applied in preparing these financial statements.

Mandatory interpretations for year 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. Given that none of the Group's companies operates in a hyperinflationary economy, this interpretation shall 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 for the Group.

- **IFRIC 10 – Interim Financial Statements 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.

Mandatory standards 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 Managing Directors / Board of Directors, and reported in the financial statements based on their internal component classification. The Group will apply IFRS 8 from 1 January 2009.

- **IAS 23 – Borrowing Costs**

The revised version of the above standard is effective as of 1st January 2009. The main difference in relation to the previous version concerns the abolition of the option to recognise as expense, the borrowing cost related to assets that take a substantial period of time to get ready for their intended use or be sold. The Group will apply IFRS 23 from 1 January 2009.

Mandatory interpretations 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 will not 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 for the Group.

- **IFRIC 13 – Customer Loyalty Programs**

This interpretation is effective as of 1 July 2008 and clarifies the treatment of companies that offer any form of loyalty reward such as "credits" or "travel miles" to customers purchasing their goods or services. This interpretation is not relevant for the Group.

- **IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**

This interpretation is effective as of 1 January 2008 and refers to retirement benefits and other long-term defined benefit plans offered to employees. This interpretation clarifies when economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, must be considered as cash available, how the minimum funding requirements could affect available economic benefits in the form of reductions in future contributions, and when minimum funding requirements would create a liability. Since the Group has no such employee benefit plans, this interpretation is not relevant for the Group.

2.3 Consolidation

(a) Subsidiaries

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 of the price paid and the carrying amount of the minorities acquired directly to equity.

(b) Associates

Associates are companies on which the Group can exercise significant influence but not "control", which is generally the case when the Group holds a percentage between 20% and 50% of a company's voting rights. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. The account of Investments in associates also includes the goodwill resulting from the acquisition (reduced by any impairment losses).

After the acquisition, the Group's share in the profits or losses of associates is recognized in the income statement, while the share of changes in reserves is recognized in reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of affiliates have been adjusted in order to be in conformity to the ones adopted by the Group. In the parent company's balance sheet, affiliates are valued at cost less impairment.

(c) 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 parent company's balance sheet, joint ventures are valued at cost less impairment.

2.4 Sector specific information

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 are provided that are subject to risks and returns that are different from those of other geographical areas.

2.5 Exchange conversions

(a) Functional and presentation currency.

The items in the financial statements of the Group's companies are measured in the currency of the primary economic environment in which the Group operates (functional currency). The consolidated financial statements are reported in euros, which is the functional 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 period 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 thus are treated similarly to fair value differences.

(c) Group companies

The conversion of the individual financial statements of the companies included in the consolidation (none of which has a currency of a hyperinflationary economy), which have a different operating currency than the presentation currency of the Group is as follows:

i) The assets and liabilities are converted using the rates in effect at the date of the balance sheet,

ii) The income and expenses are converted using the average rates of the period (except if the average rate is not the logical approach of the accumulated impact of the rates in effect at the dates of the transactions, in which case income and expenses are converted using the rates in effect at the dates of the transactions) and

iii) Any differences arising from this process are recorded to an equity reserve and are transferred to the income statement upon sale of these companies.

Exchange differences arising from the conversion of the net investment in a foreign company, as well as of the borrowing characterised as hedging of this investment are recorded to equity. At the sale of a foreign company, accumulated exchange differences are transferred to the income statement of the period as profit or loss from the sale.

2.6 Investments in real 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 not refurbished buildings, 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 other repair and maintenance costs are booked in the results of the period they are 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 a 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 property restoration cost.

(b) Group Company as a lessor

The Group only leases out properties as operating leases.

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:

- Means of transport	5 - 7	Years
- Software	1 - 3	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 are 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 net sales value and the value in use. For the calculation of impairment losses they 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 instruments

Group financial instruments 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 instruments 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 liquefy 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, with regard to directly related expenditure, of those assets which are valued at fair value with changes in the income statement. Investments are eliminated when the right on 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. When sold or impaired, profit or loss shall be carried to the results. Impairment losses appearing in profit and loss are not reversible.

The loans and receivables are recognized in amortized 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 assess 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 of cost and net realisable value. The cost of end products and semi-finished inventories includes cost of design, materials, average working cost and an analogy of the general cost of production.

Investments in properties to which a construction initiates aiming at a future sale are re-classified 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

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

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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) 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 asses 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 pending 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.

2.20 Recognition of income

Income mainly arises from property leases and sales, 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 or not to the net income is recorded as income.

Dividends are accounted for as income when the right to receive payment is established.

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 Financial 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 Treasury department and is determined by rules approved by the Board of Directors. The Treasury 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 interest rate risk, the credit risk, 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 risk

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.

Analysis of the Group's Loan Vulnerability to Interest Rate Fluctuations.

A reasonably possible interest rate change of twenty five base points (+/- 0.25%) would result in a decrease / increase in profit before tax for year 2007 of €47 thousand, if all other variables remain unchanged. Note that this change in profit before tax is calculated on the end-of-year loan balances and does not include the positive impact of interest from cash available and equivalents.

3.2 Financial risk factors

The financial division is responsible for the management of capitals, aiming at ensuring business continuation for the Group's companies, meeting its development targets in conjunction with preserving its creditworthiness.

In assessing the Group's creditworthiness, one should evaluate the Group's Net Debt (i.e. total non-current and current liabilities to banks, less available cash and equivalents).

On 31/12/2007 and 31/12/2006, respectively, the Group's Net Debt appears negative (namely the Group has net cash available), broken down in the following table:

All amounts in Euro.

	THE GROUP	
	31/12/2007	31/12/2006
Short Term Bank Loans	52.030	10.750.000
Long Term Bank Loans	20.493.045	-
Total Loans	20.545.075	10.750.000
Less: Cash & Cash Equivalents	44.164.490	23.353.827
Net Debt	**(23.619.415)**	**(12.603.827)**

In the future, and provided that the Group's Net Debt becomes positive (loans instead of net cash available), the Group intents to monitor its capital structure using ratios such as capital leveraging. This ratio is calculated as the quotient of net debt (i.e., total non-current and current liabilities to banks, less available cash and equivalents) to total capitals (i.e. total equity plus net debt).

4 Critical accounting estimates and judgements of the management

The management's estimates and judgements 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

Annual financial statements along with the accompanying notes and reports may involve certain judgments and calculations that refer to future events regarding operations, developments, and financial performance of the Group. Despite the fact that such assumptions and calculations are based on the best possible knowledge of the Company's and the Group's management, with regard to current conditions and actions, the actual results may eventually differ from calculations and assumptions taken into consideration in the preparation of the Company's and the Group's annual financial statements.

The Group makes estimates and assumptions regarding the development of future events. Judgments and acknowledgements that involve important risk to bring substantial adjustments on the fixed assets book values and liabilities are as follows:

(a) Provision to cover the obligation to purchase a 33% stake in LOFOS PALLINI, held by OTE

Based on the contract as of 28/02/2002 between the subsidiary company REDS S.A. and OTE S.A. regarding the subsidiary LOFOS PALLINI S.A., OTE has the right to sale to REDS S.A. the share of 33% it holds to the said subsidiary for a minimum defined price. The Group has recognised a provision to cover this liability. 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 amounts to 18.3 mil. euro and has increased REDS's cost of investment to the said subsidiary which is consolidated by 100%.

(b) Participations impairment provision

i) further to (a) above, REDS's company balance sheet as at 01.01.2004 includes 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 calculation 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 calculation is made.

4.2 Considerable judgements 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 to the purchasing procedure.

5 Segment reporting

(a) Primary type of representation - business segments

On 31.12.2007 and 2006, the Group operated in 3 business segments :

- Real estate development and sale
- Real property operation
- Real estate management and technical consultancy services

Results for each segment as at 31 December 2007 :

All amounts in Euro.

Consolidated segment information for 01/01-31/12/2007	**Sales of property & Leaserights**	**Real property operation**	**Services**	**Total**
Sales (gross & net)	26.872.047	2.444.833	546.413	29.863.293
Gross profit/(loss) per sector	12.166.700	714.974	69.591	12.951.265
Administration expenses				(3.716.522)
Other operating income / (expenses) - net				(2.505.894)
Operating profit				6.728.849
Financial income (expenses) - net				131.743
Profit before tax				6.860.592
Income tax				(2.498.941)
Net Profit				**4.361.651**

Results for each segment as at 31 December 2006 :

All amounts in Euro.

Consolidated segment information for 01/01-31/12/2006	**Sales of property & Leaserights**	**Real property operation**	**Services**	**Total**
Sales (gross & net)	7.097.501	4.486.024	1.994.126	13.577.651
Gross profit/(loss) per sector	1.896.114	2.086.843	868.457	4.851.414
Administration expenses				(2.872.095)
Other operating income / (expenses) - net				1.808.133
Operating profit				3.787.452
Financial income (expenses) - net				77.112
Profit before tax				3.864.565
Income tax				(1.831.084)
Net Profit				**2.033.481**

Other segment figures included in profit and loss as at 31 December 2007, are

All amounts in Euro.

	Sales of property & Leaserights	Real property operation	Services	Non allocated	Total
Depreciation of tangible fixed assets	2.986	11.489	-	32.296	**46.771**
Depreciation of intangible fixed assets	-	-	-	14.658	**14.658**
Depreciation of investments in real property	-	387.449	-	59.287	**446.736**
Total	2.986	398.938	-	106.241	**508.166**

Other segment figures included in profit and loss as at 31 December 2006, are

All amounts in Euro.

	Sales of property	Real property operation	Services	Non allocated	Total
Depreciation of tangible fixed assets	6.090	25.895	-	29.345	**61.331**
Depreciation of intangible fixed assets	175	-	-	3.626	**3.802**
Depreciation of investments in real property	-	606.055	-	15.500	**621.555**
Total	6.266	631.950	-	48.472	**686.688**

Transfers and transactions between sectors are carried out in actual commercial terms and conditions, according to what applies for third party transactions.

Segment assets and liabilities as at 31 December 2007:

All amounts in Euro.

	Sales of property & Leaserights	Real property operation	Services	Non allocated	Total
Assets	21.985.253	138.012.560	120.070	343.078	**160.460.961**
Liabilities	81.210	48.710.389	(133.477)	173.037	**48.831.160**
Equity Capital	21.904.043	89.302.171	253.547	170.041	**111.629.801**
Closing year investents in tangible, intangible and investment assets.	-	17.144.266	-	69.822	**17.214.088**

Segment assets and liabilities as at 31 December 2006:

All amounts in Euro.

	Sales of property	Real property operation	Services	Non allocated	Total
Assets	22.024.525	136.834.764	20.794	341.333	**159.221.417**
Liabilities	823.753	49.483.489	(198.687)	1.285.119	**51.393.674**
Equity Capital	21.200.772	87.351.276	219.481	(943.786)	**107.827.742**
Closing year investents in tangible, intangible and investment assets.	-	11.382.440	-	60.486	**11.442.926**

(b) Secondary type of representation – geographic segments

The Group mostly operates in Greece. Activities abroad are still under development.

6 Investments in real property

All amounts in Euro.

	THE GROUP		THE COMPANY	
Cost	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Start of period	**109.270.978**	**97.888.539**	**36.681.396**	**25.763.344**
Foreign exchange differences	(325.873)	-	-	-
Subsidiary acquisition / absorption	4.546.117	-	-	-
Additions	12.532.250	11.382.439	459.064	10.918.052
Sales / write-offs	(23.714.332)	-	(23.714.332)	-
End of period	**102.309.140**	**109.270.978**	**13.426.127**	**36.681.396**
Accumulated depreciation				
Start of period	**(1.819.104)**	**(1.197.548)**	**(1.412.585)**	**(926.536)**
Period depreciation	(446.736)	(621.555)	(251.943)	(486.049)
Sales / write-offs	1.598.159	-	1.598.159	-
End of period	**(667.681)**	**(1.819.104)**	**(66.369)**	**(1.412.586)**
Net Book Value	**101.641.460**	**107.451.874**	**13.359.758**	**35.268.810**

- There are no encumbrances on the company's real property.
- The value of the property belonging to subsidiary "YIALOU 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/D/2005, approving the town planning design of the "Yialou Business Park – Spata". The above subsidiary company's total property of approx. 173.000 sq.m. is included in these Consolidated Financial Statements under

"Investments in Real Property", based on IAS 40, to the amount of €33.2 mil., and in April 2007 was reassessed at €41.9 mil.

- In February 2007, "CLH ESTATE S.R.L." purchased a plot of approx. 8,500 sq.m. in Baneassa location, Bucharest, Romania.

- Pursuing its operations in Romania's real estate market, in February 2008, the Company acquired 100% of "Dambovita Real Estate Srl", through its associate "Profit Construct Srl", and now owns a plot of 8,016 sq.m. at the Spaiul Unirii location, in downtown Bucharest. A multi-purpose building complex will be constructed on said plot.

- The decrease in the parent company's investment assets is the result of a sale realised on 12.06.2007, to a company managed by investment house HENDERSON, with which the Company signed a sale agreement for the Veso Mare Shopping Centre in Patras (also see Note 16). Said real property appeared in the Company's Financial Statements, in the "Investment Assets", pursuant to IAS 40.

- The fair value of the Group's investement real property as at 31 December 2007, according to recent assesments without adjustment of the cost of the recent acquired property, ammounted to €125 mil.

7 Tangible assets

All amounts in Euro.

THE GROUP

	Land & Buildings	Means of transport	Mechanical Equipment	Furniture and fixtures	Total
Cost					
1-Jan-06	**67.980**	**2.465**	**50.103**	**498.384**	**618.932**
Additions	-	-	-	21.440	21.440
Sales / write-offs	-	-	-	(21.832)	(21.832)
31-Dec-06	**67.980**	**2.465**	**50.103**	**497.992**	**618.540**
1-Jan-07	**67.980**	**2.465**	**50.103**	**497.992**	**618.540**
Additions	-	4.765	115.184	-	119.949
Sales / write-offs	-	-	(121.146)	-	(121.146)
31-Dec-07	**67.980**	**7.230**	**44.140**	**497.992**	**617.343**
Accumulated depreciation					
1-Jan-06	**-**	**(1.571)**	**(4.686)**	**(351.849)**	**(358.106)**
Period depreciation	**-**	(370)	-	(60.961)	(61.330)
Sales / write-offs	-	-	-	18.892	18.892
31-Dec-06	**-**	**(1.941)**	**(4.686)**	**(393.918)**	**(400.545)**
1-Jan-07	**-**	**(1.941)**	**(4.686)**	**(393.918)**	**(400.545)**
Period depreciation		(548)	**(46.222)**		(46.771)
Sales / write-offs	-	-	102.202		102.202
31-Dec-07	**-**	**(2.489)**	**51.294**	**(393.918)**	**(345.113)**
Net Book Value as at 31.12.2006	**67.980**	**524**	**45.417**	**104.074**	**217.995**
Net Book Value as at 31.12.2007	**67.980**	**4.741**	**95.434**	**104.074**	**272.229**

THE COMPANY

	Means of transport	Mechanical Equipment	Furniture and fixtures	Total
Cost				
1-Jan-06	**2.465**	**103**	**430.151**	**432.719**
Additions	-	-	21.440	21.440
Sales / write-offs	-	-	(21.832)	(21.832)
31-Dec-06	**2.465**	**103**	**429.759**	**432.327**
1-Jan-07	**2.465**	**103**	**429.759**	**432.327**
Additions	4.765	-	61.056	65.822
Sales / write-offs	-	-	(112.634)	(112.634)
31-Dec-07	**7.230**	**103**	**378.182**	**385.515**
Accumulated depreciation				
1-Jan-06	**(1.571)**	**(103)**	**(294.985)**	**(296.659)**
Period depreciation	(370)	**-**	(54.871)	(55.240)
Sales / write-offs	-	-	18.892	18.892
31-Dec-06	**(1.941)**	**(103)**	**(330.964)**	**(333.008)**
1-Jan-07	**(1.941)**	**(103)**	**(330.964)**	**(333.008)**
Period depreciation	(548)	**-**	(39.330)	**(39.878)**
Sales / write-offs	-	-	94.140	94.140
31-Dec-07	**(2.489)**	**(103)**	**(276.155)**	**(278.746)**
Net Book Value as at 31.12.2006	**524**	**-**	**98.795**	**99.320**
Net Book Value as at 31.12.2007	**4.741**	**-**	**102.027**	**106.768**

There is no impairment of tangible assets during 2007 and 2006.

8 Intangible assets

All amounts in Euro.

	THE GROUP	THE COMPANY
	Software	**Software**
Cost		
1-Jan-06	50.905	43.449
Additions	39.046	39.046
31-Dec-06	**89.951**	**82.495**
1-Jan-07	**89.951**	**82.495**
Additions	15.771	2.700
Sales / write-offs	(1.281)	(1.281)
31-Dec-07	**104.442**	**83.914**
Accumulated depreciation		
1-Jan-06	**(49.073)**	**(41.975)**
Period depreciation	(3.802)	(3.626)
31-Dec-06	**(52.875)**	**(45.601)**
1-Jan-07	**(52.875)**	**(45.601)**
Period depreciation	(14.658)	(12.743)
Sales / write-offs	1.281	1.281
31-Dec-07	**(66.252)**	**(57.063)**
Net Book Value as at 31.12.2006	**37.077**	**36.894**
Net Book Value as at 31.12.2007	**38.190**	**26.851**

9 Group participating interests in consolidated companies.

Group Companies consolidated with the full consolidation method are the following:

COMPANY	particip. %	Participation value	Reg. Office
KANTZA COMMERCIAL S.A.	100%	11.185.288	GREECE
YIALOU COMMERCIAL & TOURIST S.A.	100%	8.353.110	GREECE
PMS. PARKING SYSTEMS S.A.	100%	86.776	GREECE
LOFOS PALLINI S.A.	67%	19.764.339	GREECE
KARTEREDA HOLDINGS LIMITED	100%	16.000	CYPRUS
CORREA HOLDINGS LIMITED	100%	1.000	CYPRUS
CLH ESTATE S.R.L.	100% indirectly	-	ROMANIA
PROFIT CONSTRUCT SRL	100% indirectly	-	ROMANIA
Total		**39.406.512**	

- In April 2007, the Company acquired 100% of the Share Capital in "CORREA HOLDINGS LTD", registered in Cyprus. Then, "CORREA HOLDINGS LTD", acquired all the shares in "PROFIT CONSTRUCT SRL", registered in Romania. The value of the participation was 4.544.888 euro and the adjussted value of the investement property fo “PROFIT CONSTRUCT SRL”, at the time of the acquisition was equal to 4.285.948 euro. The above participations were included for the first time in the Parent Company’s Consolidated Financial Statements on 30/06/2007 with the Full Consolidation method.
- The Company has recognised a provision to cover the obligation to acquire from OTE, 33% of shares held in "LOFOS PALLINI SA", against a minimum consideration, as set forth in the relevant Contract dated 28/02/2002. The amount of the provision rises to €18.3 million and has increased REDS's investment cost in said subsidiary, and as a result, same subsidiary is consolidated at 100%.

10 Joint Ventures

“3G S.A.” is included in the parent company’s consolidated financial statements with the proportional consolidation method.

The following amounts represent the Company’s share in the assets and liabilities of Joint Ventures, consolidated with the proportional consolidation method, and are included in the balance sheet.

All amounts in Euro.

31-Dec-07	**3G S.A.**
Assets	179.671
Liabilities	66.474
Equity Capital	113.197

31-Dec-06	**3G S.A.**
Assets	128.221
Liabilities	94.501
Equity Capital	33.720

11 Available-for-sale investments

All amounts in Euro.

	THE GROUP		THE COMPANY	
Listed securities:	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Shares-Greece	-	-	-	-
Non-listed securities:				
Shares-Greece	119.414	-	119.000	-
	119.414	**-**	**119.000**	**-**

During the year, the Company participated in the setting up and share capital increase of "ATHENS METROPOLITAN EXPO S.A.", holding an 11.67% stake for a consideration of €119 thousand. Since the later is at the starting stage of operation management believes that the above mentioned consideration is equal to the fail value of this participation.

The newly established company is registered in Greece. "ATHENS METROPOLITAN EXPO S.A." was awarded the concession contract for the development and operation of the new Exhibition and Conference Centre at the Athens International Airport.

12 Inventories

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Finished products	11.308	5.083.595	-	2.777.514
Semi-finished products	6.203.172	3.942.483	6.203.172	3.942.483
Total net realisable value	**6.214.480**	**9.026.078**	**6.203.172**	**6.719.997**

The Company's inventories concern houses under construction.

13 Receivables

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Trade debtors	2.313.408	4.544.542	2.134.299	1.308.417
	2.313.408	**4.544.542**	**2.134.299**	**1.308.417**
Income Tax prepayment	294.339	432.706	260.307	277.550
Advances for operating leases	-	9.822.447	-	9.822.447
Other receivables	2.457.631	1.565.925	1.442.888	944.506
Receivables from associates	461.889	375.629	1.643.417	1.461.166
Total	**5.527.267**	**16.741.249**	**5.480.911**	**13.814.086**
Receivables from long-term Operating Leases	-	9.432.146	-	9.432.146
Other non-current receivables	1.842.390	77.028	1.842.390	77.028
Total non-current assets	1.842.390	9.509.174	1.842.390	9.509.174
Total Current Assets	3.684.877	7.232.075	3.638.521	4.304.912
Total	**5.527.267**	**16.741.249**	**5.480.911**	**13.814.086**

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.

The decrease in the parent company's investment property is the result of a sale realised on 12.06.2007, to a company managed by investment house HENDERSON, with which the Company signed a sale agreement for the Veso Mare Shopping Centre in Patras (also see Note 32).

Breakdown of client balances majority on 31 December 2007 and 31 December 2006:

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Client balances majority breakdown:				
0 - 3 months	2.040.201	2.721.401	2.021.824	1.173.401
3 - 6 months	11.850	33.054	10.850	7.604
6 months - 1 year	120.500	125.093	-	62.593
1 - 2 years	67.447	1.654.494	64.005	54.320
2 - 3 years	62.910	-	27.121	-
More than 3 years	10.500	10.500	10.500	10.500
Total	**2.313.408**	**4.544.542**	**2.134.299**	**1.308.417**

14 Cash and cash equivalents

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Cash available	6.788	5.996	2.327	963
Bank deposits	44.157.703	23.347.831	16.260.308	2.434.726
	44.164.490	**23.353.827**	**16.262.635**	**2.435.689**

The Group's cash available on 31/12/2007 include €885 that concerns a cash balance of "PROFIT CONSTRUCT SRL" that was consolidated during the closing year.

15 Share capital

All amounts in Euro.

	Number of shares	Par value	Common shares	Share premium	Total
1-Jan-06	**39.610.265**	**1,70**	**67.337.451**	**5.641.410**	**72.978.861**
Share par value increase	-	**1,84**	5.545.437	(5.545.437)	-
Share par value decrease	-	**1,31**	(20.993.440)	-	(20.993.440)
31-Dec-06	**39.610.265**	**1,31**	**51.889.447**	**95.973**	**51.985.420**
1-Jan-07	**39.610.265**	**1,31**	**51.889.447**	**95.973**	**51.985.420**
31-Dec-07	**39.610.265**	**1,31**	**51.889.447**	**95.973**	**51.985.420**

16 Reserves

All amounts in Euro.

THE GROUP

	Legal reserve	Special & extra reserves	Tax-free reserves	Other reserves	FX differences reserve	Total
1-Jan-06	**478.245**	**5.393.972**	**453.540**	**2.159**	**-**	**6.327.916**
Transfer from / to P&L	63.190	-	-	-	-	63.190
31-Dec-06	**541.436**	**5.393.972**	**453.540**	**2.159**	**-**	**6.391.107**
1-Jan-07	**541.436**	**5.393.972**	**453.540**	**2.159**	**-**	**6.391.107**
FX differences	**-**		**-**	**-**	**(163.489)**	(163.489)
Transfer from / to P&L	346.875	2.416.591	-	-		2.763.466
31-Dec-07	**888.311**	**7.810.563**	**453.540**	**2.159**	**(163.489)**	**8.991.084**

THE COMPANY

	Legal reserve	Special & extra reserves	Tax-free reserves	Other reserves	Total
1-Jan-06	**98.658**	**232.062**	**453.540**	**-**	**784.259**
Transfer from / to P&L	30.483	-	-	-	30.483
31-Dec-06	**129.141**	**232.062**	**453.540**	**-**	**814.742**
1-Jan-07	**129.141**	**232.062**	**453.540**	**-**	**814.742**
Transfer from / to P&L	313.945	-	-	-	313.945
31-Dec-07	**443.086**	**232.062**	**453.540**	**-**	**1.128.687**

17 Suppliers and other liabilities

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Suppliers	311.970	269.438	295.227	253.381
Interest accrued	141.842	-	-	-
Accrued expenses	74.843	59.764	74.843	59.764
Insurance organisations and other taxes/ duties	303.356	344.308	284.257	322.670
Prepayment for operating leases	-	3.741.931	-	3.741.931
Other liabilities	8.839.862	9.990.408	4.419.385	5.095.767
Liabilities from associates	80.140	6.665.733	78.043	6.660.184
Total	**9.752.012**	**21.071.581**	**5.151.754**	**16.133.697**
Non-current	42.976	3.715.215	42.976	3.715.215
Current	9.709.036	17.356.366	5.108.778	12.418.481
Total	**9.752.012**	**21.071.581**	**5.151.754**	**16.133.697**

The Company's liabilities from trade activities are interest free.

18 Loans

All amounts in Euro.

	THE GROUP		THE COMPANY	
Long-term loans	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Start of period	**-**	**-**	**-**	**-**
Proceeds from loans	20.493.045	-	-	-
Total long-term loans	**20.493.045**	**-**	**-**	**-**
Short-term loans				
Start of period	**10.750.000**	**-**	**10.750.000**	**-**
Proceeds from loans	3.052.030	10.750.000	3.000.000	10.750.000
Repayment of loans	(13.750.000)	-	(13.750.000)	
Total short-term loans	**52.030**	**10.750.000**	**-**	**10.750.000**
Total period loans	**20.545.075**	**10.750.000**	**-**	**10.750.000**

The majority of long-term loans, approx. €15,5 mil, concerns the associates "CLH ESTATE SRL" & "PROFIT CONSTRUCT SRL" registered in Romania, and amount €5 mil concerns the fully-owned subsidiary CORREA HOLDINGS LTD, registered in Cyprus. The long-term loans will mature in 2009 and the average weighted interest rate on 31.12.2007 was 5.63%.

The Parent Company has no loans.

19 Provisions

All amounts in Euro.

	Provision for minority purchase in a subsidiary
1-Jan-06	18.326.836
31-Dec-06	**18.326.836**
1-Jan-07	18.326.836
31-Dec-07	**18.326.836**

Total provisions breakdown:

The Company has recognised a provision to cover the obligation to acquire from OTE, 33% of shares held in "LOFOS PALLINI SA", against a minimum consideration, as set forth in the relevant Contract dated 28/02/2002. The amount of the provision rises to €18.3 million and has increased REDS's investment cost in said subsidiary, and as a result, same subsidiary is consolidated at 100%.

20 Deferred taxation

Deferred tax receivables and liabilities shall be set off when there is a applicable legal right that allows the setting off of current tax receivables to current tax liabilities, and when deferred income tax concerns the same taxation authority. Offset sums follow:

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Deferred tax receivables:				
Recoverable after 12 months	2.483.408	2.378.395	1.810.531	2.035.989
Recoverable within 12 months	-	14.899	-	-
Total	**2.483.408**	**2.393.294**	**1.810.531**	**2.035.989**

Total change in deferred income tax:

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Start of period balance	(2.393.294)	(2.755.263)	(2.035.989)	(2.283.007)
Income statement debit / (credit)	(108.283)	361.969	225.458	247.018
FX differences	18.169	-	-	-
End of period balance	**(2.483.408)**	**(2.393.294)**	**(1.810.531)**	**(2.035.989)**

Changes in deferred tax receivables and liabilities during the year, without taking into account offsetting of balances within the same tax authority, are:

Deferred tax liabilities:

All amounts in Euro.

	THE GROUP		THE COMPANY	
	Other	Total	Other	Total
1-Jan-06	693.022	693.022	693.022	693.022
Income statement debit / (credit)	(153.355)	(153.355)	(153.355)	(153.355)
31-Dec-06	**539.668**	**539.668**	**539.668**	**539.668**
1-Jan-07	539.668	539.668	539.668	539.668
Income statement debit / (credit)	(243.821)	(243.821)	(250.608)	(250.608)
31-Dec-07	**295.847**	**295.847**	**289.060**	**289.060**

Deferred tax assets::

All amounts in Euro.

	THE GROUP				
	Receivables provisions	Misc tax depreciation	Tax losses	Other	Total
1-Jan-06	**1.468**	**(144.128)**	**169.140**	**3.421.805**	**3.448.285**
Income statement (debit) / credit	(1.039)	(77.518)	81.584	(518.351)	(515.324)
(Debit) / credit to equity capital	-	-	-	-	-
31-Dec-06	**429**	**(221.646)**	**250.724**	**2.903.455**	**2.932.961**
1-Jan-07	429	(221.646)	250.724	2.903.455	2.932.961
Income statement (debit) / credit	388.772	(162.454)	(16.840)	(345.014)	(135.537)
(Debit) / credit to equity capital	-	-	-	-	-
FX differences	(18.169)	-	-	-	(18.169)
31-Dec-07	**371.032**	**(384.100)**	**233.884**	**2.558.440**	**2.779.255**

THE COMPANY

	Receivables provisions	Misc tax depreciation	Tax losses	Other	Total
1-Jan-06	**-**	**(243.723)**	**-**	**3.219.752**	**2.976.029**
Income statement (debit) / credit	-	5.993	-	(406.366)	(400.373)
(Debit) / credit to equity capital	-	-	-	-	-
31-Dec-06	**-**	**(237.729)**	**-**	**2.813.386**	**2.575.656**
1-Jan-07	-	(237.729)	-	2.813.386	2.575.656
Income statement (debit) / credit	-	(147.827)	-	(328.238)	(476.066)
(Debit) / credit to equity capital	-	-	-	-	-
31-Dec-07	**-**	**(385.557)**	**-**	**2.485.147**	**2.099.591**

21 Employee benefits liabilities due to retirements

Amounts recognised in the Balance Sheet, are:

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Current value of non-financed liabilities	60.025	65.284	60.025	64.388
Non-entered actuarial profit/(loss)	(15.624)	18.774	(15.624)	17.954
Balance sheet liability	**44.401**	**84.058**	**44.401**	**82.342**

Amounts recognised in profit and loss, are:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Current employment cost	13.762	5.244	15.478	5.244
Finance cost	2.769	2.571	2.769	2.333
Depreciation of non-entered actuarial (profit) / losses	(1.982)	-	(1.982)	-
Compensations Paid	(62.384)	(5.968)	(62.384)	(1.574)
Cost of previous service	-	17.366	-	17.366
Losses from cuts	8.179	-	8.179	-
Total included in staff benefits (note 22)	**(39.657)**	**19.213**	**(37.941)**	**23.370**

Changes in liabilities as appear in the Balance sheet are :

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Start of period balance	84.058	64.845	82.342	58.972
Total charge to profit and loss	(39.657)	19.213	(37.941)	23.370
End of period balance	**44.401**	**84.058**	**44.401**	**82.342**

Major actuarial assumptions used for accounting purposes:

Discount interest:

- As at 31.12.07	4,80%
- As at 31.12.06	4,30%
- Future salary increases	4,50%

22 Financial income (expenses) - net

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Interest expenses				
- Bank loans & other liabilities	(1.270.326)	(366.053)	(385.802)	(348.764)
Income from interest / securities	1.402.069	443.165	450.314	20.564
Net expenses / (income) from interest	131.743	77.112	64.513	(328.200)
Total	**131.743**	**77.112**	**64.513**	**(328.200)**

23 Staff benefits

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Salaries and wages	972.268	786.044	938.493	746.533
Social insurance expenses	216.535	142.418	210.861	137.941
Cost of defined benefits programs	(37.941)	19.213	(37.941)	23.370
Other staff benefits	15.319	24.922	15.319	24.922
Total	**1.166.181**	**972.598**	**1.126.732**	**932.766**

24 Expenses per category

All amounts in Euro.

THE GROUP

	31/12/2007			31/12/2006		
	Cost of sales	Administration expenses	Total	Cost of sales	Administration expenses	Total
Staff benefits	295.155	869.310	1.164.465	541.660	430.937	972.598
Reserves Consumption	5.072.288	-	5.072.288	4.576.763	-	4.576.763
Depreciation of tangible fixed assets	11.424	35.282	46.706	19.847	41.484	61.331
Depreciation of intangible fixed assets		14.658	14.658	-	3.802	3.802
Depreciation of investment assets	251.943	194.793	446.736	470.549	151.006	621.555
Rents & long-term operating leases expenses	9.842.148	-	9.842.148	1.762.633	-	1.762.633
Third party fees	699.672	972.202	1.671.874	709.907	817.672	1.527.579
Other	739.399	1.630.276	2.369.675	644.878	1.427.194	2.072.071
Total	**16.912.028**	**3.716.522**	**20.628.550**	**8.726.237**	**2.872.095**	**11.598.332**

THE COMPANY

	31/12/2007			31/12/2006		
	Cost of sales	Administration expenses	Total	Cost of sales	Administration expenses	Total
Staff benefits	295.155	831.577	1.126.732	541.660	391.105	932.766
Reserves Consumption	2.777.514	-	2.777.514	-	-	-
Depreciation of tangible fixed assets	11.424	28.455	39.879	19.847	35.394	55.241
Depreciation of intangible fixed assets	-	12.743	12.743	-	3.626	3.626
Depreciation of investment assets	251.943	-	251.943	470.549	15.500	486.049
Rents & long-term operating leases expenses	9.842.148	-	9.842.148	1.762.633	-	1.762.633
Third party fees	699.672	972.202	1.671.874	846.466	817.672	1.664.137
Other	1.072.607	639.752	1.712.360	480.292	365.041	845.333
Total	**14.950.463**	**2.484.729**	**17.435.192**	**4.121.447**	**1.628.338**	**5.749.785**

25 Income tax

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Year tax	2.607.224	1.469.114	2.233.859	1.195.077
Deferred taxation	(108.283)	361.969	225.458	247.018
Total	**2.498.941**	**1.831.084**	**2.459.317**	**1.442.096**

The tax imposed on company's profits before tax is different from the theoretical tax amount calculated based on the average tax rate of each company's country of registration as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Accounting Profit/(Loss) bfr Tax	6.860.592	3.864.565	8.738.220	2.242.934
Tax Calculated according to Local Tax rates for Profits in respective Countries	2.127.147	1.056.958	2.184.555	650.451
Adjustments				
Non Taxable Income	68.268	(21.812)	65.277	(21.812)
Non Deductible for tax reasons Expenses	219.175	56.229	209.485	43.421
Previous Years Taxes & Other Taxes	-	1.091.719	-	971.986
Utilization of Previous Years Tax Losses	-	(192.501)	-	-
Tax Deductible Expenses (ie depreciation of intagible assets written off according to IFRS)	84.351	(159.510)	-	(201.949)
Taxes	**2.498.941**	**1.831.083**	**2.459.317**	**1.442.096**

During the closing year, a €150 thousand provision has been made in the Consolidated Income Statements for tax obligations of the Group's companies.

Note 30 includes a detailed table of the unaudited years of all consolidated companies.

26 Other income - expenses

All amounts in Euro.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Profit/(loss) from the disposal of investment assets	(2.591.173)	-	(2.591.173)	-
Rents	100.847	181.815	99.504	133.208
Profit/(loss) from FX diferrences	(1.325.875)	-	-	-
Other Profit/(Loss)	1.310.307	1.626.318	1.370.782	1.219.408
Total	**(2.505.894)**	**1.808.133**	**(1.120.887)**	**1.352.616**

The "Other operating income / (expenses)" account of the Parent Company's year Income Statement, includes the amount of €1,120 thousand. This amount mainly comes from the disposal of investment assets, also taking into consideration the de-recognition of a €1,681 thousand operating lease down payment collected, and related to the sold investment assets.

In the same account of the year's Consolidated Income Statement, there appears a loss of €2,506 thousand, of which approx. €1,326 thousand has resulted from FX differences of companies registered in Romania, consolidated by full consolidation.

27 Profit per share

Basic earnings per share are calculated by dividing the net profit attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding during the period, excluding own common shares held by subsidiaries (own shares). In case the number of shares has increased due to the issue of free shares, the new number shall apply to comparatives as well.

The Company has no dilutive potential ordinary shares. Therefore the diluted earnings per share is the same as the basic earnings per share.

	THE GROUP		THE COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Profit corresponding to shareholders (in €)	4.361.651	2.033.481	6.278.902	800.838
Weighted average number of common shares	39.610.265	39.610.265	39.610.265	39.610.265
Profit/(loss) after tax per share - basic (in €)	**0,1101**	**0,0513**	**0,1585**	**0,0202**

28 Dividend per share

The Board of Directors has proposed, for year 2007, a total dividend of € 2.376.615,90, namely 0,06 € per share; in 2006, the respective amount was € 396.102,65, namely € 0,01 per share.

The above year 2007 dividend amount is subject to ratification by the Annual General Shareholders Meeting, to be held in May 2008. These financial statements do not include the proposed 2007 dividend.

29 Commitments

All amounts in Euro.

The following amounts concern parent Company commitments for operating leases. The other Group companies have no commitments.

	THE GROUP	
	31/12/2007	**31/12/2006**
Up to 1 year	162.936	584.784
1 to - 5 years	885.456	3.294.091
Over 5 years	620.878	22.034.056
Total	**1.669.270**	**25.912.931**

The decrease in the parent company's existing obligations is the result of a sale, for the Escape Center, realised on 12.06.2007, to a company managed by investment house HENDERSON.

30 Contingent liabilities

The Group's contingent liabilities pertain to bank and other guarantees and other matters arising in the ordinary course of business. Contingent liabilities are not expected to generate material charges

The Group's companies have no disputes under litigation or arbitration, nor are there any court or arbitration decisions that are likely to have a significant impact on the Group's companies' financial condition, except the pending court dispute between the "LOFOS PALLINI S.A." subsidiary and the City of Pallini before the State Council and the Athens Administrative Court of First Instance, regarding the amount payable as special contribution under Law 2947/2001, which, according to the City, rises to approx. €750,000. No provision has been made for this eventual obligation, as the Company's Management feels that the final outcome will be positive for the Company.

The competent Tax Authorities have not audited the tax returns for the years detailed below, and as a consequence, additional taxes and charges may be imposed after the audit and finalisation thereof. Therefor the closing year, a €150 thousand provision has been made in the Consolidated Income Statements for tax obligations of the Group's companies.

Company		
REDS S.A.	2 years	(2006-2007)
PMS. PARKING SYSTEMS S.A.	5 years	(2003-2007)
LOFOS PALLINI S.A.	6 years	(2002-2007)
KANTZA COMMERCIAL S.A.	9 years	(1999-2007)
YIALOU COMMERCIAL & TOURIST S.A.	6 years	(2002-2007)
3G S.A.	5 years	(2003-2007)

31 Related-party transactions

All amounts in Euro.

Sales / Purchases of goods and services	THE GROUP		THE COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Sales of goods & services to the parent company	-	-	-	-
Sales of goods & services to subsidiaries	-	-	682.142	871.849
Sales of goods & services to other associates	340.449	453.207	143.836	89.464
Purchases of goods & services from the parent company	212.447	197.441	202.016	151.015
Purchases of goods & services from subsidiaries	-	-	451	-
Purchases of goods & services from other associates	533.466	1.322.142	533.466	851.342

Receivables / Liabilities of Associates	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Receivables from the parent company	-	-	-	-
Receivables from subsidiaries	-	-	1.258.268	1.134.109
Receivables from other associates	461.889	327.057	385.149	327.057
Liabilities to the parent company	39.207	19.544	37.110	19.544
Liabilities to subsidiaries	-	-	-	-
Liabilities to other associates	40.933	6.638.948	40.933	6.638.948

Officers' & Directors' transactions	THE GROUP		THE COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Officers' & Directors' transactions & fees	772.033	678.570	630.497	601.835
Receivables from officers and directors	49.817	1.277.289	-	-
Liabilities to officers and directors	4.627	4.376	-	-

32 Other notes

- On 31.12.2007 Group employed 48 people (28 administrative staff and + 20day labourers) and Company empoyed 45 people, whereas on 31.12.2006, Group employed 25 staff and Company 24.
- On 28/07/2005, "REDS SA" signed an agreement with "LA SOCIETE GENERALE IMMOBILIERE ESPAGNE (LSGIE)", to sell 100% of the shares in subsidiary "KANTZA COMMERCIAL SA", at a total price of € 70 million. The transaction is subject to the acquisition of the neighbouring property from "KANTZA PROPERTY DEVELOPMENT, MANAGEMENT & OPERATION S.A", and to obtaining all building licenses and approvals for the entire property in Kantza, Pallini.
- On 20/6/2006 a draft contract was signed for the sale of part of the property belonging to "YIALOU EMPORIKI & TOURISTIKI S.A." at the Yialou Spata location, for a consideration of €13.4 mil. with MACARTHURGLEN HELLAS Ltd. The final sale contract is conditional upon the issuing of the building license. The company will not recognise any income until the transaction is finalised.

- On 12.06.2007 the Company concluded with companies managed by the HENDERSON investment house the following: a) sale agreements of its two shopping centres, Veso Mare (Note 6) and Escape Centre (Note 13), for a total consideration of €40.5 million & b) a preliminary sale agreement regarding 100% of the shares in subsidiary “YIALOU COMMERCIAL & TOURIST S.A.”, for an estimated consideration of €70 mil. The deal is expected to become final following the completion of construction and start of operations of the “Business Park”, that the company will develop on part of its property in the Yialou, Spata location. The company will not recognise any income until the transaction is finalised.

- In June 2007, the Company signed a preliminary purchase agreement for a 6,500 sq.m. plot at a central location in the Municipality of Elefsina. The company intends to develop the site by constructing a commercial use building, with a total rental space surface of 9,400 sq.m., including an underground car park.
- During the year, the Company participated in the setting up and share capital increase of "ATHENS METROPOLITAN EXPO S.A.", holding an 11.67% stake for a consideration of €119 thousand; the newly established company is registered in Greece. "ATHENS METROPOLITAN EXPO S.A." was awarded the concession contract for the development and operation of the new Exhibition and Conference Centre at the Athens International Airport.

33 Post balance sheet events

Pursuing its operations in Romania’s real estate market, in February 2008, the Company acquired 100% of “DAMBOVITA REAL ESTATE SRL”, through its associate “PROFIT CONSTRUCT SRL”, and now owns a plot of 8,016 sq.m. at the Spaiul Unirii location, in downtown Bucharest. A multi-purpose building complex will be constructed on said plot.

Athens, 27 March 2008

CHAIRMAN OF THE BOARD	MANAGING DIRECTOR	GENERAL DIRECTOR & MEMBER OF THE BOARD	FINANCE DIRECTOR
DIMITRIOS KOUTRAS	ANASTASSIOS KALLITSANTSIS	IOANNIS MORAITIS	GEORGE ILIOPOULOS
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