

# REAL ESTATE DEVELOPMENT & SERVICES S.A.

PUBLIC COMPANIES REG. Nr. 13564/06/B/86/123  
AKAKION 39 & MONEMVASIAS STR., 151 25 - ATHENS

Figures and information for the period January 1st 2005 through December 31, 2005 (in euro)  
Published as per L.2190, article 135 on companies drafting their annual financial statements, consolidated or not, according to I.F.R.S.

The following figures and information are intended to offer a general overview on the financial condition and results of REAL ESTATE DEVELOPMENT & SERVICES S.A., and the REAL ESTATE DEVELOPMENT & SERVICES S.A. Group of companies. Readers that want to have a complete view of the financial position and results should assure that have access to the annual financial statements required according to the International Financial Statements, as well as the auditors report. The readers could visit the Company's website (<http://www.reds.gr>) where the said financial statements can be found.

Registered address 39 Akakion & Monemvasias Str. GR, 151 25 - Marousi -Athens  
Number in the Register of S.A. 13564/06/B/86/123  
Competent Authority Ministry of Development Dept.of Commerce Dept. of S.A. Credit  
Date of approval of the annual financial statements  
(From which the summary data where drawn) March, 24 2006  
Report Type Unqualified opinion-Emphasis Matters  
Company website [www.reds.gr](http://www.reds.gr)

**Board of Directors Composition :**  
Executive Members :  
Dimitrios Koutras -President  
Anastasios Kallitsantis - Managing Director  
Dimitrios Kallitsantis - Member  
Lucas Giannakoulis - Member  
Konstantinos Mathiopoulos - Member  
Ioannis Moraitis - Member  
Leonidas Bobolas - Member  
Argirios Milios - Member (independent member)  
Georgios Bekiaris - Member (independent member)

Non- Executive Members :

	BALANCE SHEET as at 31.12.2005			
	Amounts in Euro			
	CONSOLIDATED		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
<b>ASSETS</b>				
Investment property	96.690.989	97.734.297	24.836.808	26.998.943
Fixed assets	262.657	331.366	137.534	233.571
Investments in subsidiaries	-	-	39.400.281	39.389.511
Inventories	12.842.754	26.157.055	5.909.889	2.777.514
Prepayment for operating leases	9.823.965	10.173.145	9.823.965	10.173.145
Trade and other receivables	11.379.931	17.104.822	4.395.253	8.016.666
Cash & cash equivalents	9.526.034	10.727.496	1.777.114	849.340
Total current assets	2.827.472	2.923.232	2.355.216	2.549.370
<b>TOTAL ASSETS</b>	<b>143.353.803</b>	<b>165.151.413</b>	<b>88.636.059</b>	<b>90.988.061</b>
<b>OWNER'S EQUITY &amp; LIABILITY</b>				
Total long term liabilities	18.812.434	38.890.142	18.706.561	18.888.476
Total short term liabilities	18.747.106	23.783.817	17.350.998	19.230.664
Total liabilities (a)	37.559.541	62.673.959	36.057.559	38.119.140
Share Capital	67.337.451	67.337.451	67.337.451	67.337.451
Other Shareholders' Equity	38.456.811	35.140.003	(14.758.951)	(14.468.530)
Shareholders Equity (b)	105.794.262	102.477.454	52.578.500	52.868.921
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY (a+b)</b>	<b>143.353.803</b>	<b>165.151.413</b>	<b>88.636.059</b>	<b>90.988.061</b>

	INCOME STATEMENTS FOR THE YEAR			
	Amounts in Euro			
	CONSOLIDATED		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
<b>Turnover</b>	<b>30.792.328</b>	<b>41.457.513</b>	<b>6.735.793</b>	<b>13.684.148</b>
<b>Gross Profit/(loss)</b>	<b>7.382.029</b>	<b>14.792.150</b>	<b>1.830.889</b>	<b>2.682.861</b>
<b>Profit/(loss) before taxes, financing and investing results</b>	<b>5.127.571</b>	<b>13.305.254</b>	<b>392.963</b>	<b>1.118.773</b>
<b>Profit/(loss) before taxes, financing, investing results and depreciation</b>	<b>5.816.903</b>	<b>14.002.799</b>	<b>928.701</b>	<b>1.656.852</b>
<b>Profit/(loss) before taxes total</b>	<b>4.461.991</b>	<b>12.466.542</b>	<b>(43.816)</b>	<b>1.061.760</b>
Less taxes	(1.792.087)	(4.952.291)	(893.508)	(1.572.970)
<b>Profit/(loss) after taxes total</b>	<b>2.669.905</b>	<b>7.514.251</b>	<b>(937.324)</b>	<b>(511.210)</b>
Profit after tax per share -basic (in €)	0,0674	0,1897	(0,0237)	(0,0129)

	STATEMENT OF CHANGES IN EQUITY FOR THE YEAR			
	Amounts in Euro			
	CONSOLIDATED		COMPANY	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Equity at beginning of period (1/1/2005 and 1/1/2004, respectively)	102.477.454	94.963.203	52.868.921	53.380.131
Net income results directly in equity	646.903	-	646.903	-
Profit/(loss) for the period, after taxes	2.669.905	7.514.251	(937.324)	(511.210)
Equity at end of the financial year (31/12/2005 and 31/12/2004, respectively)	<b>105.794.262</b>	<b>102.477.454</b>	<b>52.578.500</b>	<b>52.868.921</b>

**Additional Figures and Information :**  
The following Group companies are included in the consolidated financial statements :

1) Full consolidation method :

	Particip. %
REAL ESTATE DEVELOPMENT & SERVICES S.A. (REDS)	
Akakion 39 & Monemvasias Str. 151 25 Marousi - Athens	parent
LOFOS PALLINI S.A.	
Akakion 39 & Monemvasias Str. 151 25 Marousi - Athens (note Nr.7)	67,00%
GYALOU TRADE & TOURIST S.A.	
Akakion 39 & Monemvasias Str. 151 25 Marousi - Athens	100,00%
KANTZA TRADE S.A.	
Akakion 39 & Monemvasias Str. 151 25 Marousi - Athens	100,00%
P.M.S. PARKING SYSTEMS S.A.	
Akakion 39 & Monemvasias Str. 151 25 Marousi - Athens	100,00%

2) Proportional consolidation method. :

3G S.A.	
9 Fragoklisias Str. 151 25 Marousi - Athens	50,00%

	CASH FLOW STATEMENTS FOR THE YEAR			
	Amounts in Euro			
	CONSOLIDATED		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
<b>Operating Activities</b>				
Net profit before income tax	4.461.991	12.466.542	(43.816)	1.061.760
Adjustments for :				
Depreciation and amortisation	689.332	697.274	535.737	538.079
Profit/(loss) from investment property sales	-	(1.676.268)	-	-
Financial expenses (net)	665.580	771.058	436.779	40.841
Other non-cash expenses (net)	(6.133)	(2.704)	(10.340)	5.886
Operating cash flow before changes in working capital	5.810.770	12.255.902	918.361	1.646.565
Decrease/(increase) in inventories	16.271.301	13.784.715	(175.375)	-
Decrease/(increase) in trade another receivables	6.919.046	(9.989.657)	4.505.604	(2.978.901)
Increase/ (decrease) in liabilities (except bank borrowings)	(2.214.659)	(10.604.295)	(2.109.047)	1.596.177
Operating cash flows	26.786.458	5.446.665	3.139.543	263.841
Less : interest and similar charges paid	(883.308)	(838.713)	(479.103)	(57.013)
Income tax paid	(5.353.400)	114.778	(529.655)	117.074
Total operating cash inflow / (outflow) (a)	20.549.750	4.722.730	2.130.785	323.902
<b>Cash Flows from Investing Activities</b>				
Additions in investment property	(2.060.184)	(86.863)	(1.225.808)	(86.863)
Purchase of fixed assets	(8.756)	(900)	(8.756)	(900)
Sale of investment property	-	2.266.120	-	-
Interest and similar income received	217.728	67.655	42.324	16.173
Acquisition of Subsidiaries/ Join Venture	-	-	(10.770)	(362.547)
Total investing activities cash inflow/(outflow) (b)	(1.851.212)	2.246.012	(1.203.011)	(434.137)
<b>Cash Flows from Financial Activities</b>				
Proceeds from borrowings	0	544.436	-	-
Borrowings repayment	(19.900.000)	-	-	-
Total financial activities inflow (outflow) (c)	(19.900.000)	544.436	-	-
<b>Increase/ (decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(1.201.462)</b>	<b>7.513.178</b>	<b>927.774</b>	<b>(110.235)</b>
Cash available at beginning of the year	10.727.496	3.214.318	849.340	959.575
Cash available at end of the year	<b>9.526.034</b>	<b>10.727.496</b>	<b>1.777.114</b>	<b>849.340</b>

**OTHER INFORMATION'S**

- The tax returns of the parent company "REDS S.A." have been regularly examined by the tax authorities until the year ended December 2000. The subsidiaries "KANTZA TRADE S.A." and "P.M.S. PARKING SYSTEMS A.E." according to art. 26 of c.L.3148/2003, art.28 of c.L.3016/2002, filed a special request for concluding matters concerning income tax and V.A.T. until the year ended 1998 and 2002, respectively. The tax returns of the other subsidiaries have not been examined, since their establishment.
- "REDS S.A." is included in the consolidated financial statements of "ELLINIKI TECHNODOMIKI TEB S.A." which owns 50,83% of the share capital and is domiciled in Greece.
- A mortgage has been registered on a real property owned by the parent company to secure bond loan taken out by the subsidiary company "LOFOS PALLINI SA" to a total amount of euro 24 mil. The outstanding balance on 31.12.2005 being euro 100 thousand, and will be repaid in the first half of 2006. There are no encumbrances on the property of the other Group companies.
- The company has no disputes under litigation or arbitration, non are there any court of arbitration decisions that are likely to have a significant impact on the Company's financial position.
- The parent company and the subsidiary companies employ 27 employees.
- At 28/07/2005 the Company entered into an agreement with "LA SOCIETY GENERAL IMMOBILIERE ESPANGE (LSGIE)", concerning the disposal of 100% of the shares of "KANTZA TRADE S.A.", a subsidiary of REDS. The total consideration will amount to 70 million Euro. The completion of the transaction is subject to the acquisition of the neighbouring real estate properties of "KANTZA S.A." and issuance of the necessary licences for the development of the property held by "KANTZA TRADE S.A." in the area of Kantza - Pallini. The completion of the transaction is expected by the end of 2009.
- The company has recognised a provision in relation to the put option held by OTE for the 33% of the share capital of REDS' subsidiary, "LOFOS PALLINI S.A.". The provision was estimated bases on the minimum consideration, as defined in the agreement with OTE, dated 28/02/2002 and amounts to 18,3 million Euro. The investment cost of REDS S.A. for "Lofos" has increased by this amount and "Lofos" is consolidated by 100%.
- As at 12/07/2005 the company acquired 50% of the share capital of "3G S.A." for the total consideration of Euro 10.770,00. The company consolidates 3G S.A. as of that date as a joint venture using the proportional consolidations method.
- A Building Permit for the development of 30 homes on the privately owned 7.780 m2 plot in Kantza Pallini, was issued on 02/11/2005.
- The value of the property belonging to subsidiary "GYALOU EMPORIKI & TOURISTIKI SA" was reassessed due to the introduction into the town plan of approx. 133.000 sq.m, by virtue of Government Gazette (FEK) issue No 319Δ/2005, approving the town planning design of the "Gyalou Business Park - Spata Municipality". The above subsidiary company's total property approx. 173.000 sq.m., was reassessed at euro 41,9 million, compared euro 31,3 million appearing on these financial statements, under the "Investment properties", based on IAS 40.

	CONSOLIDATED		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
11. Related-party transactions				
a) Sales of goods and services	2.171.353	9.501.831	2.084.641	9.501.831
b) Purchases of goods and services from related parties	1.118.074	7.728.985	1.118.074	7.728.985
c) Receivables from related parties	1.404.148	1.062.011	1.385.641	4.618.881
d) Payable to related parties	6.831.270	14.683.315	6.830.141	14.683.315
e) BoD and Key management remuneration	490.347	401.291	415.112	317.297
12. The sales breakdown per financial activity category, according to the 4digit classification of STACOD 03 is as follows :				
Real estate development and sale	701.1	25.829.916	25.702.450	-
Real estate management	703.2	547.693	961.099	892.693
Architects' & Engineers' activities & engineering consulting activities	742.0	332.101	158.805	530.601
Leasing out of owned buildings	702.0	4.082.618	14.550.163	4.082.619
Parking services	930.9	-	84.995	-
Construction of buildings and technical works	452.1	-	-	1.229.880
<b>Total</b>		<b>30.792.328</b>	<b>41.457.513</b>	<b>6.735.793</b>

Date of approval of the Board of Directors March 24, 2006

THE CHAIRMAN OF THE BOARD

THE MANAGING DIRECTOR

THE MEMBER OF THE BoD

THE FINANCIAL MANAGER

DIMITRIOS KOUTRAS  
ID.Nr : I 280654

ANASTASIOS KALLITSANTIS  
ID.Nr : E 434814

IOANNIS MORAITIS  
ID.Nr : E 145767

CHRISTOS ADAMOPOULOS  
ID.Nr : Φ 042940