

# REAL ESTATE DEVELOPMENT & SERVICES S.A.

Public Companies (S.A.) Reg. Nr. 13564/06/B/86/123

BALANCE SHEET AS AT DECEMBER 31, 2002 - 84th YEAR (01.01.2002 - 31.12.2002)

ASSETS	2002 - €			2001 - €			LIABILITIES	
	Acquisition value	Accumulated Depreciation	Net Book value	Acquisition value	Accumulated Depreciation	Net Book value	2002 - €	2001 - €
<b>B. FORMATION EXPENSES</b>							<b>A. SHAREHOLDERS' EQUITY</b>	
1. Incorporation and Formation Expenses	972,682.61	371,967.02	600,715.59	153,811.96	30,762.37	123,049.59	<b>I. Share Capital</b>	
3. Interest of bank loans	525,462.73	210,185.10	315,277.63	0.00	0.00	0.00	(31,688.212 Shares of € 1,70 each)	
4. Other formation expenses	2,544,432.79	1,549,385.68	995,047.11	1,234,087.67	1,082,279.95	151,807.72	1. Paid-up capital	53,869,960.40
	<b>4,042,578.13</b>	<b>2,131,537.80</b>	<b>1,911,040.33</b>	<b>1,387,899.63</b>	<b>1,113,042.32</b>	<b>274,857.31</b>	<b>II. Share premium account</b>	12,415,440.26
								11,357,187.91
<b>C. FIXED ASSETS</b>							<b>IV. Reserves</b>	
<b>I. Intangible Assets</b>							1. Legal reserve	98,657.95
<b>5. Other intangible Assets</b>	608,609.66	608,609.66	0.00	608,609.66	608,609.66	0.00	4. Extraordinary reserves	232,061.63
							5. Tax-free reserves under special laws	453,539.65
<b>II. Tangible Assets</b>								<b>784,259.23</b>
1. Land	3,513,183.70	0.00	3,513,183.70	73,711.95	0.00	73,711.95	<b>V. Retained Earnings</b>	
2. Fields	4,634,286.69	0.00	4,634,286.69	11,128,833.51	0.00	11,128,833.51	Loss carried forward	-79,617.58
3. Buildings and technical works	19,757,654.83	2,465,508.00	17,292,146.83	922,475.35	870,219.30	52,256.05	Loss brought forward	-14,956,821.89
4. Machinery, technical installations and other mechanical equipment	102.71	102.70	0.01	102.71	102.70	0.01		<b>-15,036,439.47</b>
5. Transportation equipment	2,465.15	462.21	2,002.94	2,465.15	92.44	2,372.71	<b>Total Capital and Reserves (AI+All+AIIV+AV)</b>	<b>52,033,220.42</b>
6. Furniture and fixtures	332,513.37	94,196.33	238,317.04	75,767.37	20,451.12	55,316.25		<b>34,511,762.82</b>
7. Payments on account and tang. assets under construction	28,990,614.47	2,560,269.24	26,430,345.23	12,203,356.04	890,865.56	11,312,490.48	<b>B. PROVISIONS FOR LIABILITIES AND CHARGES</b>	
<b>Total Tangible Assets (CI+CII)</b>	<b>29,599,224.13</b>	<b>3,168,878.90</b>	<b>26,430,345.23</b>	<b>12,811,965.70</b>	<b>1,499,475.22</b>	<b>11,312,490.48</b>	1. Provisions for staff retirement benefits	<b>56,235.72</b>
								<b>15,357.92</b>
<b>III. Financial Assets</b>							<b>C. LIABILITIES</b>	
1. Participating interests in affiliated undertakings	28,537,916.04		28,537,916.04		11,374,413.47	11,373,278.40	<b>I. Long-term liabilities</b>	
Minus : Due payments	0.00		0.00		1,135.07	1,135.07	8. Other long term liabilities	412,744.71
7. Other long-term receivables			128,916.28			3,734.69		0.00
			<b>28,666,832.32</b>			<b>11,377,013.09</b>	<b>II. Current Liabilities</b>	
			<b>55,097,177.55</b>			<b>22,689,503.57</b>	1. Suppliers	9,010,940.97
<b>Total Fixed Assets (CI+CII+CIII)</b>			<b>55,097,177.55</b>			<b>22,689,503.57</b>	2a. Cheques payable	1,614.98
							3. Banks	195,334.42
<b>D. CURRENT ASSETS</b>							4. Advances from trade debtors	4,620,475.35
<b>II. Receivables</b>							5. Taxes-duties payable	286,154.95
1. Trade debtors			5,034,686.68			892,307.58	6. Social security	34,318.36
3a. Cheques receivable (postdated)			233,378.53			0.00	11. Other accounts payable	92,452.51
10. Doubtful contested trade & other debtors	2,622,279.04		2,622,279.04		2,622,279.04	2,128,243.24		14,241,291.54
Minus : Allowances	2,622,279.04		0.00		2,622,279.04	0.00	<b>Total Liabilities (CI+CII)</b>	<b>14,654,036.25</b>
11. Sundry debtors			2,590,665.00			2,128,243.24		256,060.42
12. Advances and credits to account for			613.63			3,480.24	<b>D. ACCRUALS AND DEFERRED INCOME</b>	
			<b>7,859,343.84</b>			<b>3,024,031.06</b>	1. Accrued income	532,097.04
<b>III. Investments</b>							2. Accrued expenses	9,830.77
1. Shares			24.65			24.65		<b>541,927.81</b>
			<b>24.65</b>			<b>24.65</b>	<b>GRAND TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES (A+B+C+D)</b>	<b>67,285,420.20</b>
<b>IV. Cash at bank and in hand</b>								<b>34,785,501.72</b>
1. Cash on hand			4,184.19			365.44	<b>MEMO. ACCOUNTS</b>	
3. Sight and time deposits			2,410,945.46			8,796,719.69	2. Guarantees and real securities	22,688,273.38
			<b>2,415,129.65</b>			<b>8,797,085.13</b>		1,361,847.46
<b>Total Current Assets (DII+DIII+DIV)</b>			<b>10,274,498.14</b>			<b>11,821,140.84</b>		
<b>E. PREPAYMENTS AND ACCRUED INCOME</b>								
1. Prepaid expenses			2,704.18			0.00		
<b>GRAND TOTAL-ASSETS (B+C+D+E)</b>			<b>67,285,420.20</b>			<b>34,785,501.72</b>		
<b>MEMO. ACCOUNTS</b>								
2. Guarantees and real securities			22,688,273.38			1,361,847.46		

**Notes :** 1. Funds presented for the current period are not comparable to those of the previous period due to the absorption of subsidiary companies "TECHNO S.A." and "REDS S.A.", from "REDS S.A." (former A. KAMBAS HOLDING & REAL ESTATE S.A.), in accordance with the decision Nr K2- 17046/24-12-2002 of the Deputy Minister of Development. 2. The company has been through tax authorities fiscal control up to year 1996, inclusive. 3. The last value adjustment of fixed assets was performed in accounting period 2000, in accordance with the provisions of Law 2065/92. 4. The company's properties are free from encumbrances. 5. The company employs 28 employees. 6. The company participates by 100% in the share capital of the companies "KANTZA TRADE S.A.", "YALOU TRADE & TOURIST S.A.", "MANTINIAKI TOURIST S.A.", "P.M.S. PARKING SYSTEMS S.A." and by 67% in the share capital of the company "LOFOS PALLINI S.A.". The value measurement of these participations has been done in accordance with the provisions of P.D. 186/92 (B.R.C.) at their acquisition cost while their intrinsic book value, as this arises from the last published balance sheets, is shorter by Euro K 1.822.38 than the disclosed acquisition cost. 7. The debit difference of Euro K 1.624.72 which arose at the acquisition (absorption), in accordance with the provisions of L. 2166/1993, of subsidiary companies, was netted off directly with the "Share premium account", pursuant to the provisions of the Ministry of Finance Circular (POL. 1038/5.3.2003). 8. Last share capital increase by cash contribution: By virtue of the General Shareholders Meeting resolution as of 23-07-2002, the company's share capital was increased by EURO 20,927,189.40 This increase was approved by decision nr K2-16326/20-12-2002 of the Deputy Minister of Development. 9. By virtue of the General Shareholders Meeting resolution as of 20-02-2003, the company's name, was changed from "A. KAMBAS HOLDING & REAL ESTATE S.A." to "REAL ESTATE DEVELOPMENT & SERVICES S.A.". The above change was approved by decision Nr K2-3082/14-03-2003 of the Deputy Minister of Development.

INCOME STATEMENT			APPROPRIATION ACCOUNT		
31st DECEMBER 2002 (1st JANUARY 2002 - 31st DECEMBER 2002)					
	2002 - EURO	2001 - EURO		2002 - EURO	2001 - EURO
<b>I. OPERATING RESULTS</b>				Net results (profit- loss) for the year	15,501.92
Net Turnover (sales)	9,029,113.34	7,345.80		Plus : Results brought forward (loss)	-15,501.92
Minus : Cost of Sales	8,129,184.48	7,129.74		<b>Total</b>	<b>0.00</b>
<b>Gross operating results (profit)</b>	899,928.86	216.06		Plus : 2. Other taxes not integrated into the oper.cost	-79,617.58
Plus : Other operating income	978,227.63	35,209.39		<b>CURRENT YEAR LOSSES</b>	<b>-79,617.58</b>
<b>Total</b>	<b>1,878,156.49</b>	<b>35,425.45</b>			<b>-1,418,469.83</b>
MINUS : 1. Administrative expenses	1,691,140.77	1,104,306.39			
<b>Sub total (profit- loss)</b>	<b>187,015.72</b>	<b>-1,068,880.94</b>			
Plus :				Breakdown of sales per financial activity category, according to the STACOD 91 4-digit classification:	
2. Income from other investments	152,455.27	364,633.66		452.1 Construction of buildings and technical works	8,184,944.77
4. Credit interest and similar income	5,029.65	67,621.69		703.2 Real estate management - on consideration of a fee, or on a contractual basis	844,168.57
	<b>157,484.92</b>	<b>432,255.35</b>			9,029,113.34
Minus :					
3. Interest charges and related expenses	412,474.50	446.54	431,808.81		
<b>Total operating results (loss)</b>	<b>-254,989.58</b>	<b>446.54</b>	<b>431,808.81</b>		
	<b>-67,973.86</b>	<b>-637,072.13</b>			
<b>II. PLUS : EXTRAORDINARY RESULTS</b>					
1. Extraordinary and non-operating income	35,421.66	16.11			
2. Extraordinary gain	43,580.04	47,797.03			
3. Prior years' income	12,570.28	0.19			
4. Income from prior years' provisions	6,190.32	0.00			
	<b>97,762.30</b>	<b>47,813.33</b>			
Minus :					
1. Extraordinary and non-operating expenses	9,495.55	397,669.12	771,731.34		
2. Extraordinary losses	0.05	373,821.62	-723,918.01		
3. Prior years' expenses	4,790.92	240.60	-1,360,990.14		
<b>Operating and extraordinary results (profit- loss)</b>	<b>14,286.52</b>	<b>83,475.78</b>	<b>-723,918.01</b>		
	<b>15,501.92</b>	<b>-1,360,990.14</b>			
LESS: Total fixed assets depreciation	841,832.38	297,383.07	297,383.07		
Minus : Depreciation integrated in the operating cost	841,832.38	0.00	297,383.07		
	<b>0.00</b>	<b>0.00</b>			
<b>NET RESULTS (PROFIT- LOSS) FOR THE YEAR BEFORE TAXES</b>	<b>15,501.92</b>	<b>-1,360,990.14</b>			

Athens, March 31 2003 <b>CHAIRMAN OF THE BOARD OF DIRECTORS</b>  DIMITRIOS KOUTRAS ID Nr I-280654	Athens, March 31 2003 <b>VICE- CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR</b>  ANASTASIOS KALLITSANTIS ID Nr- E434814	Athens, March 31 2003 <b>FINANCIAL MANAGER</b>  ANALITI VASILIKI ID Nr E-013569
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**AUDITOR'S REPORT**  
**To the Shareholders of "REAL ESTATE DEVELOPMENT & SERVICES S.A." (former A. KAMBAS HOLDING & REAL ESTATE S.A.)**

We have audited the above Financial Statements as well as the related Notes on the Accounts of "REAL ESTATE DEVELOPMENT & SERVICES S.A." for the year ended December 31, 2002. We conducted our audit, within the scope of which we obtained also a full accounting report of the Company's Branch operations, in accordance with the provisions of art. 37 of the Companies' Act of Greece (c.L. 2190/1920) and also in conformity with the standards of auditing followed by the Institute of Certified Auditors-Accountants in Greece, which comply with the International Standards on Auditing and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have examined the books of account and records kept by the Company and we obtained all the information and explanations we needed for the purpose of our audit. The Company has applied properly the Hellenic General Accounting Plan. No change in the inventory valuation method has been made as compared with that of the previous year, except the company's note Nr 7 under the Balance Sheet. We have verified that the Board of Directors' Report to the Annual General Meeting of Shareholders is consistent with the related Financial Statements. The Notes on the Accounts include the information required by the par. 1, art. 43a L. 2190/1920 (Companies' Act of Greece). In our opinion, the above Financial Statements, which are in agreement with the books and records of the Company, together with the Notes on the Accounts, after taking into consideration our foregoing notes as well as the company's notes under the Balance Sheet, Nr 2,6 and 7, give a true and fair view of the Company's assets, liabilities and financial position as at December 31, 2002 and of the results of its operations for the year ended on that date, in conformity with legal requirements and generally accepted accounting principles applied on a basis consistent with that of the preceding year, except the company's note Nr 7 under the Balance Sheet.

Athens, April 7 2003  
**The Certified Public Accountant - Auditor**  
  
 Ioannis L. Perros  
 SOEL Reg. No. 11951  
 SOL S.A. - Certified Auditors Accountants