

# REAL ESTATE DEVELOPMENT & SERVICES S.A.

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

4th CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2003 - 4th YEAR (01.01.2003 - 31.12.2003)

| ASSETS   | 2003 - €              |                          |                       | 2002 - €             |                          |                      | LIABILITIES   |               |
|--|-----------------------|--------------------------|-----------------------|----------------------|--------------------------|----------------------|---|---------------|
|  | Acquisition value     | Accumulated Depreciation | Net Book value        | Acquisition value    | Accumulated Depreciation | Net Book value       | 2003 - €  | 2002 - €      |
| <b>B. FORMATION EXPENSES</b>   |                       |                          |                       |                      |                          |                      | <b>A. SHAREHOLDERS' EQUITY</b>                                      |               |
| 1. Incorporation and Formation Expenses                              | 2,166,491.61          | 1,350,866.76             | 815,624.85            | 1,680,626.00         | 625,497.04               | 1,055,128.96         | <b>I. Share Capital</b>   |               |
| 3. Interest of bank loans  | 525,462.73            | 315,277.65               | 210,185.08            | 525,462.73           | 210,185.10               | 315,277.63           | 31,688,212 Shares of € 1,70 each)                                   |               |
| 4. Other formation expenses  | 4,955,727.51          | 3,358,740.36             | 1,596,987.15          | 4,826,262.41         | 2,518,843.23             | 2,307,419.18         | 53,869,960.40   | 53,869,960.40 |
|  | <b>7,647,681.85</b>   | <b>5,024,884.77</b>      | <b>2,622,797.08</b>   | <b>7,032,351.14</b>  | <b>3,354,525.37</b>      | <b>3,677,825.77</b>  |   |               |
| <b>C. FIXED ASSETS</b>   |                       |                          |                       |                      |                          |                      | <b>II. Share premium account</b>                                    |               |
| <b>I. Intangible Assets</b>  |                       |                          |                       |                      |                          |                      | 12,415,440.26   |               |
| 5. Other intangible Assets   | 608,609.66            | 608,609.66               | 0.00                  | 608,609.66           | 608,609.66               | 0.00                 |   |               |
| <b>II. Tangible Assets</b>   |                       |                          |                       |                      |                          |                      | <b>III. Revaluation Reserves-Investment Grants</b>                  |               |
| 1. Land  | 73,544,338.39         | 0.00                     | 73,544,338.39         | 16,007,624.05        | 0.00                     | 16,007,624.05        | 2. Reserves from value adjustments of other assets                  |               |
| 2. Fields  | 8,285,737.16          | 0.00                     | 8,285,737.16          | 4,634,286.69         | 0.00                     | 4,634,286.69         | 64,118,072.03   |               |
| 3. Buildings and technical works                                     | 34,893,867.15         | 3,746,972.54             | 31,146,894.61         | 20,509,890.27        | 2,618,966.97             | 17,890,923.30        | 0.00  |               |
| 4. Machinery, technical installations and other mechanical equipment | 150,711.57            | 33,613.53                | 117,098.04            | 150,711.57           | 17,046.56                | 133,665.01           | <b>IV. Reserves</b>   |               |
| 5. Transportation equipment  | 2,465.15              | 831.98                   | 1,633.17              | 2,465.15             | 462.21                   | 2,002.94             | 1. Legal reserve  |               |
| 6. Furniture and fixtures  | 443,155.77            | 190,393.40               | 252,762.37            | 397,881.55           | 99,832.50                | 298,049.05           | 98,657.95   |               |
| 7. Payments on account and tang. assets under construction           | 0.00                  | 0.00                     | 0.00                  | 750,408.02           | 0.00                     | 750,408.02           | 4. Extraordinary reserves   |               |
|  | 117,320,275.19        | 3,971,811.45             | 113,348,463.74        | 42,453,267.30        | 2,736,308.24             | 39,716,959.06        | 5. Tax-free reserves under special laws                             |               |
| <b>Total Tangible Assets (CI+CII)</b>                                | <b>117,928,884.85</b> | <b>4,580,421.11</b>      | <b>113,348,463.74</b> | <b>43,061,876.96</b> | <b>3,344,917.90</b>      | <b>39,716,959.06</b> | <b>784,259.23</b>   |               |
|  |                       |                          |                       |                      |                          |                      | <b>784,259.23</b>   |               |
| <b>III. Financial Assets</b>   |                       |                          |                       |                      |                          |                      | <b>V. Retained Earnings</b>   |               |
| 7. Other long-term receivables                                       |                       |                          | 130,514.48            |                      |                          | 128,916.28           | Loss carried forward  |               |
|  |                       |                          | <b>130,514.48</b>     |                      |                          | <b>128,916.28</b>    | -3,156,227.23   |               |
|  |                       |                          |                       |                      |                          |                      | Loss brought forward  |               |
| <b>Total Fixed Assets (CI+CII+CIII)</b>                              |                       |                          | <b>113,478,978.22</b> |                      |                          | <b>39,845,875.34</b> | Adjusted consolidation balance                                      |               |
|  |                       |                          |                       |                      |                          |                      | <b>-22,429,505.11</b>   |               |
|  |                       |                          |                       |                      |                          |                      | <b>-19,273,277.87</b>   |               |
| <b>D. CURRENT ASSETS</b>   |                       |                          |                       |                      |                          |                      | <b>VI. Debit consolidation balance</b>                              |               |
| <b>I. Inventories</b>  |                       |                          |                       |                      |                          |                      | <b>IX. Minority rights on equity capital</b>                        |               |
| 3. Work in progress  |                       |                          | 34,904,693.35         |                      |                          | 15,696,289.31        | <b>-305,944.37</b>  |               |
| 5. Payments on account for purchasing stocks                         |                       |                          | 677,843.54            |                      |                          | 0.00                 | <b>4,228,469.86</b>   |               |
|  |                       |                          | <b>35,582,536.89</b>  |                      |                          | <b>15,696,289.31</b> | <b>4,360,505.28</b>   |               |
| <b>II. Receivables</b>   |                       |                          |                       |                      |                          |                      | <b>Total Capital and Reserves (AI+All+AIll+AV+VI+IX)</b>            |               |
| 1. Trade debtors   |                       |                          | 2,088,808.48          |                      |                          | 479,514.93           | <b>112,680,752.30</b>   |               |
| 3a. Cheques receivable   |                       |                          | 48,886.73             |                      |                          | 233,378.53           | <b>51,844,973.88</b>  |               |
| 10. Doubtful contested trade & other debtors                         |                       | 2,673,379.17             | 0.00                  |                      | 2,622,279.04             | 0.00                 |   |               |
| Minus: Allowances  |                       | 2,673,379.17             | 0.00                  |                      | 2,622,279.04             | 0.00                 |   |               |
| 11. Sundry debtors   |                       |                          | 4,082,008.55          |                      |                          | 3,849,091.11         |   |               |
| 12. Advances and credits to account for                              |                       |                          | 355,755.86            |                      |                          | 1,488.30             |   |               |
|  |                       |                          | <b>6,575,459.62</b>   |                      |                          | <b>4,563,472.87</b>  |   |               |
| <b>III. Investments</b>  |                       |                          |                       |                      |                          |                      | <b>B. PROVISIONS FOR LIABILITIES AND CHARGES</b>                    |               |
| 1. Shares  |                       |                          | 24.65                 |                      |                          | 24.65                | 1. Provisions for staff retirement benefits                         |               |
|  |                       |                          | <b>24.65</b>          |                      |                          | <b>24.65</b>         | 79,447.20   |               |
| <b>IV. Cash at bank and in hand</b>                                  |                       |                          |                       |                      |                          |                      | <b>79,447.20</b>  |               |
| 1. Cash on hand  |                       |                          | 12,060.51             |                      |                          | 11,414.04            |   |               |
| 3. Sight and time deposits   |                       |                          | 3,202,257.27          |                      |                          | 7,200,317.74         |   |               |
|  |                       |                          | <b>3,214,317.78</b>   |                      |                          | <b>7,211,731.78</b>  |   |               |
| <b>Total Current Assets (DI+DII+DIII+DIV)</b>                        |                       |                          | <b>45,372,338.94</b>  |                      |                          | <b>27,471,518.61</b> |   |               |
| <b>E. PREPAYMENTS AND ACCRUED INCOME</b>                             |                       |                          |                       |                      |                          |                      | <b>C. LIABILITIES</b>   |               |
| 1. Prepaid expenses  |                       |                          | 2,547,893.66          |                      |                          | 4,092.18             | <b>I. Long-term liabilities</b>                                     |               |
|  |                       |                          | <b>2,547,893.66</b>   |                      |                          | <b>4,092.18</b>      | 8. Other long term liabilities                                      |               |
|  |                       |                          |                       |                      |                          |                      | 435,271.47  |               |
| <b>GRAND TOTAL-ASSETS (B+C+D)</b>                                    |                       |                          | <b>164,022,007.90</b> |                      |                          | <b>70,999,311.90</b> | <b>435,271.47</b>   |               |
| <b>MEMO ACCOUNTS</b>   |                       |                          |                       |                      |                          |                      | <b>II. Current Liabilities</b>                                      |               |
| 2. Guarantees and real securities                                    |                       |                          | 40,504,699.91         |                      |                          | 34,720,553.38        | 1. Suppliers  |               |
|  |                       |                          |                       |                      |                          |                      | 14,193,533.35   |               |
|  |                       |                          |                       |                      |                          |                      | 2a. Cheques payable   |               |
|  |                       |                          |                       |                      |                          |                      | 1,614.98  |               |
|  |                       |                          |                       |                      |                          |                      | 3. Banks  |               |
|  |                       |                          |                       |                      |                          |                      | 19,498,540.16   |               |
|  |                       |                          |                       |                      |                          |                      | 195,337.36  |               |
|  |                       |                          |                       |                      |                          |                      | 4. Advances from trade debtors                                      |               |
|  |                       |                          |                       |                      |                          |                      | 11,028,509.98   |               |
|  |                       |                          |                       |                      |                          |                      | 5. Taxes-duties payable   |               |
|  |                       |                          |                       |                      |                          |                      | 1,504,457.19  |               |
|  |                       |                          |                       |                      |                          |                      | 6. Social security  |               |
|  |                       |                          |                       |                      |                          |                      | 128,462.48  |               |
|  |                       |                          |                       |                      |                          |                      | 11. Other accounts payable  |               |
|  |                       |                          |                       |                      |                          |                      | 1,635,129.92  |               |
|  |                       |                          |                       |                      |                          |                      | 47,990,248.06   |               |
|  |                       |                          |                       |                      |                          |                      | <b>18,142,973.87</b>  |               |
|  |                       |                          |                       |                      |                          |                      | <b>Total Liabilities (CI+CII)</b>                                   |               |
|  |                       |                          |                       |                      |                          |                      | <b>48,425,519.53</b>  |               |
|  |                       |                          |                       |                      |                          |                      | <b>18,555,718.58</b>  |               |
|  |                       |                          |                       |                      |                          |                      | <b>D. ACCRUALS AND DEFERRED INCOME</b>                              |               |
|  |                       |                          |                       |                      |                          |                      | 1. Accrued income   |               |
|  |                       |                          |                       |                      |                          |                      | 2,819,725.38  |               |
|  |                       |                          |                       |                      |                          |                      | 2. Accrued expenses   |               |
|  |                       |                          |                       |                      |                          |                      | 16,563.49   |               |
|  |                       |                          |                       |                      |                          |                      | <b>2,836,288.87</b>   |               |
|  |                       |                          |                       |                      |                          |                      | <b>542,383.72</b>   |               |
|  |                       |                          |                       |                      |                          |                      | <b>GRAND TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES (A+B+C+D)</b> |               |
|  |                       |                          |                       |                      |                          |                      | <b>164,022,007.90</b>   |               |
|  |                       |                          |                       |                      |                          |                      | <b>70,999,311.90</b>  |               |
|  |                       |                          |                       |                      |                          |                      | <b>MEMO ACCOUNTS</b>  |               |
|  |                       |                          |                       |                      |                          |                      | 2. Guarantees and real securities                                   |               |
|  |                       |                          |                       |                      |                          |                      | 40,504,699.91   |               |
|  |                       |                          |                       |                      |                          |                      | 34,720,553.38   |               |

| INCOME STATEMENT  |               |                      |                      |
|---|---------------|----------------------|----------------------|
| 31st DECEMBER 2003 (1st JANUARY 2003 - 31st DECEMBER 2003)          |               |                      |                      |
|   | 2003 - €      |                      | 2002 - €             |
| <b>I. OPERATING RESULTS</b>   |               |                      |                      |
| Net Turnover (sales)  |               | 5,528,608.28         | 1,425,872.42         |
| Minus: Cost of Sales  |               | 4,946,366.29         | 1,303,705.23         |
| <b>Gross operating results (profit)</b>                             |               | 582,241.99           | 122,167.19           |
| Plus: Other operating income  |               | 85,103.20            | 50,560.76            |
| <b>Total</b>  |               | <b>667,345.19</b>    | <b>172,727.95</b>    |
| <b>MINUS:</b>   |               |                      |                      |
| 1. Administrative expenses  | 2,278,735.62  |                      | 1,912,270.73         |
| 3. Distribution Expenses  | 0.00          |                      | 14,585.16            |
|   |               | <b>2,278,735.62</b>  | <b>1,926,855.89</b>  |
| <b>Sub total (loss)</b>   |               | <b>-1,611,390.43</b> | <b>-1,754,127.94</b> |
| Plus:   |               |                      |                      |
| 2. Income from other investments                                    | 68,075.20     |                      | 247,519.92           |
| 3. Gains from sale of participating interests and other investments | 21,833.11     |                      | 0.00                 |
| 4. Credit interest and similar income                               | 12,147.12     |                      | 7,191.86             |
|   |               | <b>102,055.43</b>    | <b>254,711.78</b>    |
| Minus:  |               |                      |                      |
| 3. Interest charges and related expenses                            | 162,937.71    | 162,937.71           | 455,566.90           |
|   |               | <b>-60,882.28</b>    | <b>455,566.90</b>    |
| <b>Total operating results (loss)</b>                               |               | <b>-1,672,272.71</b> | <b>-1,954,983.06</b> |
| <b>II. PLUS : EXTRAORDINARY RESULTS</b>                             |               |                      |                      |
| 1. Extraordinary and non-operating income                           |               | 142,824.85           | 35,572.53            |
| 3. Prior years' income  |               | 22,275.26            | 12,570.28            |
| 4. Income from prior years' provisions                              |               | 4,993.10             | 6,190.32             |
|   |               | <b>170,093.21</b>    | <b>54,333.13</b>     |
| Minus:  |               |                      |                      |
| 1. Extraordinary and non-operating expenses                         | 1,757.39      |                      | 12,470.01            |
| 2. Extraordinary losses   | 0.00          |                      | 0.05                 |
| 3. Prior years' expenses  | 28,927.72     | 30,685.11            | 6,436.92             |
|   |               | <b>139,408.10</b>    | <b>18,906.98</b>     |
| <b>Operating and extraordinary results (loss)</b>                   |               | <b>-1,532,864.61</b> | <b>-1,919,556.91</b> |
| LESS: Total fixed assets depreciation                               |               | 2,907,822.88         | 1,530,475.66         |
| Minus: Depreciation integrated in the operating cost                |               | 2,907,822.88         | 0.00                 |
|   |               | <b>0.00</b>          | <b>0.00</b>          |
| <b>NET RESULTS (LOSS) FOR THE YEAR BEFORE TAXES</b>                 |               | <b>-1,532,864.61</b> | <b>-1,919,556.91</b> |
| Plus: Prior years' tax differences                                  |               | -13,034.04           | 0.00                 |
| <b>Total</b>  |               | <b>-1,545,898.65</b> | <b>-1,919,556.91</b> |
| Plus: 1. Income tax - Company                                       | -182,081.04   |                      | 0.00                 |
| 2. Other taxes not integrated into the oper.cost                    | -1,560,282.97 | -1,742,364.01        | -132,286.57          |
|   |               | <b>-3,288,262.66</b> | <b>-2,051,843.48</b> |
| <b>NET RESULTS (LOSS) FOR THE YEAR AFTER TAXES</b>                  |               | <b>-3,288,262.66</b> | <b>-2,051,843.48</b> |
| Minus: Minority shareholders' quota                                 |               | 132,035.43           | 36,823.07            |
| <b>NET CONSOLIDATED RESULTS (LOSS)</b>                              |               | <b>-3,156,227.23</b> | <b>-2,015,020.41</b> |

**Notes:**

- The consolidation as at 31/12/2003 apart from the parent company "REDS S.A.", also includes the subsidiary companies "KANTZA TRADE S.A.", "YALOU TRADE & 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 consolidated income statement includes the subsidiary company "MANTINEAKI TOURIST S.A.", the parent company at December 9th 2003 proceeded in the sale of its by 100% participation of the aforesaid company.
- All companies were consolidated by total consolidation method in accordance with the provision of c.Law 2190/20.
- The last value adjustment of fixed assets was performed in accounting period 2000, in accordance with the provisions of Law 2065/92.
- According to the provisions of article 15 of L. 3229/2004, a value adjustment was computed in the year 2003 on the land and buildings at their fair value, following an estimation made by professional appraisers. The surplus value amount that occurred of EURO K 64.118,07 is disclosed in the Shareholders' Equity account A.III. "Revaluation Reserves".
- The companies group properties are free from encumbrances.
- Certain balance sheet items of the previous period have been reformed so as to become comparable to the respective items of the current period.
- The parent company "REDS S.A." and the subsidiary company "KANTZA TRADE S.A." have been through tax authorities fiscal control up to the year 1998, inclusive.
- The parent company's depreciation for the year 2003 was computed with the lowest rates of the P.D. 299/2003 -information in the Notes on the Accounts.

Breakdown of sales per financial activity category, according to the STACOD 03 4-digit classification:

|       |  |                     |
|-------|--|---------------------|
| 930.9 | Parking services   | 131,876.75          |
| 701.1 | Real estate development and sales services                                   | 1,513,108.56        |
| 703.2 | Real estate management, on consideration of a fee, or on a contractual basis | 237,885.06          |
| 742.0 | Architects' & Engineers' activities & engineering consulting activities      | 1,036,457.83        |
| 702.0 | Leasing out of owned buildings   | 2,609,280.08        |
|       |  | <b>5,528,608.28</b> |

Athens, April 22 2004

|                                     |  |                                    |                                     |
|-------------------------------------|--|------------------------------------|-------------------------------------|
| CHAIRMAN OF THE BOARD OF DIRECTORS  | VICE- CHAIRMAN OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR | FINANCIAL MANAGER                  | HEAD OF ACCOUNTING DEPT.            |
| DIMITRIOS KOUTRAS<br>ID Nr I-280654 | ANASTASIOS KALLITSANTIS<br>ID Nr E-434814                    | VASILIKI ANALITI<br>ID Nr E-013569 | CHRIS ADAMOPOULOS<br>ID Nr Φ-042940 |

**AUDITOR'S REPORT**  
To the Shareholders of "REAL ESTATE DEVELOPMENT & SERVICES S.A." and its subsidiaries.

We have audited according to the provisions of art. 108 of L. 2190/1920 the 4th Consolidated Financial Statements, as well as the related Notes on the Accounts, and the Consolidated Cash Flow, of "REAL ESTATE DEVELOPMENT SERVICES S.A." and its subsidiary undertakings, for the year ended December 31, 2003. Our examination, included such auditing procedures as we considered necessary in the circumstances for the purpose of our audit, which are in conformity with the standards of auditing followed by the Institute of Certified Auditors - Accountants in Greece and lastly we verified that the Directors' consolidated report is consistent with the related Consolidated Financial Statements. We have not extended our audit to the examination of the Financial Statements of the Companies "KANTZAS TRADE S.A." and "LOFOS PALLINI S.A.", which are included in the consolidation and represent 43,98% and 27,37% of consolidated total assets and turnover. Those Financial Statements were audited by other recognized Certified Auditors, on whose "Auditor's Report" we have relied on, in order to express our opinion hereof, insofar as it relates to the items included in the consolidation of the aforesaid undertakings. In our opinion, after taking into consideration our foregoing note, as well as the Company's notes the above Consolidated Financial Statements, have been prepared according to the provisions of c.L. 2190/1920 and in conformity with legal requirements and generally accepted accounting principles applied by the parent company on a basis consistent with that of the preceding year, except the company's notes Nr 4 and 8, give, a true and fair view of the assets, liabilities and financial position, the results of operations and the Cash Flows of all the companies which are included in the consolidation, as at 31 December, 2003.

Athens, April 27 2004  
The Certified Public Accountant-Auditor

Aggeliki K. Gratsias - Drombakis  
SOEL Reg. No. 13071  
SOL S.A. - Certified Auditors Accountants