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**Investors should also look at the listed company's financial statements, annual report and other similar information, as well as risks related to its business and operations, in order to form a more analytical view about the company's fundamentals and prospects.**

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The following report is based on the publicly traded company's official financial statements, annual report, and presentation that has been compiled or performed in order to inform the communities of institutional investors and equity analysts. Valuation & Research Specialists (VRS) do not intend to express any views or judgments about the listed company / stock via this report.

## EUROBANK PROPERTIES RE.I.C.

**Listing Year:** 2006

**Category:** Big Capitalization

**Activity Sector:** Real Estate

**Foundation Year:** 1952

**Share Price:** € 5.71  
(7 June 2010)

**Outstanding No of Shares:**  
60,600,000

**Market Cap:** € 348 million

**NAV per share:** € 11.69  
(31/03/2010)

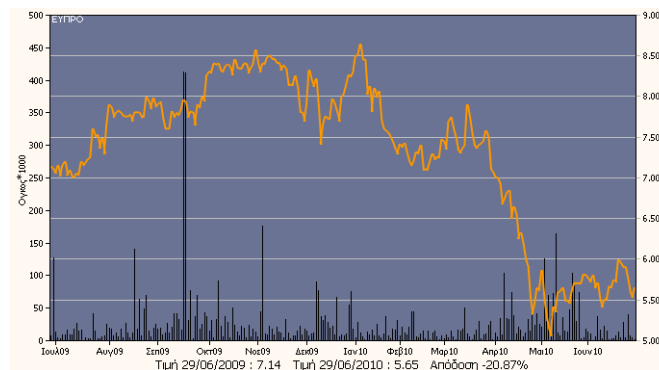
**NAV discount:** € 51.2% (7 June  
2010)

**Dividend 2009:** € 0.55

**Free float:** >20%

**Web-site:**  
[www.eurobankproperties.gr](http://www.eurobankproperties.gr)

**Share Price Graph** (July 2009 – June 2010) (Price in euro)



### Company Profile – Sector

Eurobank Properties REIC, manages one of the most important commercial property portfolios in Greece and Eastern Europe, maintains long-term leases with corporate clients, is being managed by experienced and skilled executives with in-depth knowledge of the Greek and international property markets and operates in the fast-growing real estate investment industry, governed by a favourable tax regime.

The Company's objective is to grow in the office / retail / logistics and industrial sectors of the real estate market, in highly commercial areas, provided that both the capital and the property market conditions permit it. In 2008, Eurobank Properties REIC, decided to reinforce its autonomous business operation, by incorporating activities related to the analysis and implementation of its investment strategy but also to the asset management of its portfolio. Eurobank Properties is a member of the Eurobank EFG Group, a European banking organization with total assets of €85.9 billion. The Group employs more than 23,000 people and offers its products and services both through its network of over 1,600 branches and points of sale, and through alternative distribution channels. Eurobank EFG Group has an established presence in Greece, Bulgaria, Serbia, Romania, Turkey, Poland, Ukraine, United Kingdom, Luxembourg and Cyprus. It is a member of the EFG Group, an international banking group with presence across 40 countries.

The company's investment strategy, aims at increasing its revenues and returns and towards creating added value for its shareholders. The company is seeking to achieve this goal through:

- I. Regular and, to the maximum possible extent, more analytical follow up and monitoring of the macro-economic indicators and of the trends of the economies in the context of which the company is active, as well as of their impact on the commercial property market.
- II. Active management of its portfolio of assets, in order to improve its composition and create added value.
- III. Continuous monitoring of the portfolio's risk and the efficient management of this risk through diversification as to the type of asset, its location and its tenants.

The basic parameters of the investment decisions that the Company takes into consideration before acquiring high profile commercial properties in the countries of interest, are: a. Attractive and guaranteed – to the best possible extent – rental returns, b. Local and international tenants of high profile and solvency, c. Clear indications pointing towards the creation of future added value through the acquisition of an asset, d. Protection of the rental returns from inflationary risks, through an indexation equal to or larger than the Consumer Price Index (C.P.I.) and e. Best possible protection of the rental returns from currency risk, wherever that exists.

Sources: Company Annual Report 2009, Company press releases, Presentation at the Association of Greek Institutional Investors in June 2010.

## Review of Q1 2010 Results

Despite the current economic downturn, net profit for the period amounted to €9.82m for Eurobank Properties, a decrease of 24% compared to €12.86m in the respective period in 2009.

The decrease of € 3.05m is mainly due to the decrease in gain from fair value adjustments of investment properties and to the decrease of interest income due to the lower interest rates prevailing in the first three months.

A summary of the Company's operational results are as follows:

- Increase of 6% in rental income. Revenue from rentals amounted to € 10.86m compared to € 10.27m in 2009.
- Decrease of 8% in operating expenses to € 0.94m compared to € 1.03m in 2009.
- Increase of 7% in operating profit to € 9.37m compared to € 8.77m in 2009, excluding net gain from fair value adjustments of investment properties.
- Decrease of 66% in interest income to € 1.19m compared to € 3.51m in 2009.
- Decrease of 61% in interest expense to € 0.43m compared to € 1.11m in 2009 due to the decrease in interest rates.
- Decrease of 7% of the F.F.O. mainly due to the reduced interest income.

Cash and short term deposits as at March 31, 2010 amounted to € 173m while outstanding loans amounted to € 100m.

NAV as at 31 March 2010 slightly decreased to € 713m or €11.69 per share compared to €11.94 as at 31 December 2009. This decrease is due to the 2009 dividend that was distributed in early April. Based on current share price the Company is trading at over 50% discount.

## S.W.O.T. Analysis

### Strengths

- Leader in the commercial property sector
- High quality of property portfolio
- Geographical diversification
- Cash equivalents of €173m
- Important risk exchange coverage
- Rate risk coverage
- Attractive dividend policy

### Weaknesses

- Current unfavorable market conditions in the Greek commercial property market

### Opportunities

- Further growth in the office / retail / logistics and industrial sectors of the real estate market

### Risks – Threats

- Unfavorable market conditions

## Specific Parameters

### RECENT DEVELOPMENTS

© In May 2010, Eurobank Properties REIC completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company acquired the ground floor along with its auxiliary spaces totalling 385 sqm and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1.2 million (10.4% passing yield). The fair value of the property as evaluated by the Body of Sworn - In Valuators of Greece (SOE) is €1.3 million. Following the acquisition of the aforementioned spaces, Eurobank Properties is the sole owner of the property, as it had already acquired the office spaces of the building in February 2009. The newly acquired parking spaces will serve as a substantial supplement to the available office spaces while the ground floor is leased by the University of Athens, housing the Neurological Department of Aeginitio Hospital.

© Eurobank Properties REIC concluded the sale of a property located at 22 Ionos Dragoumi Street, Thessalonica. The asset is a whole building with basement, ground floor and three floors, with total surface of 1.166, 99 sqm. The price for the property was agreed at €3,950,000. The market value, valuated on 31/12/09, was €3,709,851. The realized profit from the sale of the above asset related to cost of acquisition is €3,364,618. From this amount the €3,124,469 have already been included in the financial results of the Company as fair value gain during the holding period of the property and the amount of €240,149 appear at the financial results of the first quarter of 2010.

### FINANCIAL HIGHLIGHTS

© For 2009, the Company's turnover amounted to €128.48mil., presenting an increase of 10.72% against €116.04 mil. in the relevant period of 2008. Other operating revenues of the period amounted to €11.58 million against €7.10 mil. Total operating expenses for the period, excluding formed provisions, consumptions and depreciations amounted to €110.49 mil. against €99.59 mil. presenting an increase of 10.95% (attributable to personnel payroll as other operational expenses were reduced by 10.73%). Remaining expenses (extraordinary and non-operating) amounted to €45.64 mil. against €2.17mil. Net financial result (losses) before taxes amounted to €38.25 mil. against profits of €8.91 mil. while losses after current and deferred taxes amounted to 33.56 mil., against profits of €5.59 mil. in 2008.

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