

**EFG PROPERTY SERVICES SOFIA AD
ANNUAL DIRECTORS' REPORT
ANNUAL FINANCIAL STATEMENTS
REPORT OF THE INDEPENDENT AUDITOR
31 DECEMBER 2009**

EFG PROPERTY SERVICES SOFIA AD
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31 DECEMBER 2009

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EFG PROPERTY SERVICES SOFIA AD
DIRECTORS' REPORT
31 DECEMBER 2009

The Directors present the report and the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), adopted by EU for the year ended 31 December 2009. These financial statements have been audited by PricewaterhouseCoopers Audit OOD.

BUSINESS DESCRIPTION

The Company was registered on 2 September 2005. The Company's principal activities include evaluation and intermediary services of operations with real estates, management of real estates, technical and consulting services, architectural and engineering explorations.

BUSINESS OVERVIEW

The main aspects for development for the current year include:

- Rendering intermediary services to Eurobank EFG Bulgaria AD for development of its branch network;
- Active offering of agency services related with real estates;
- Development of an evaluation department responsible for appraisals in favour of Eurobank EFG Bulgaria AD;
- Introducing of reforms in order to optimize the procedure of evaluation; and
- Offering of consulting services to potential investors in real estates.

CAPITAL STRUCTURE

The share capital of the Company amounts to BGN 150,000, split in 150,000 individual shares with nominal value of BGN 1 each. 80 % of the share capital is owned by EFG Eurobank Ergasias S.A. and 20 % of the share capital is owned by Lamda Development S.A.

The parent company of EFG EUROBANK ERGASIAS SA is EFG Bank European Financial Group (EFG Group), headquartered in Geneva, Switzerland. EFG Bank European Financial Group (EFG Group) is listed on the Swiss Stock Exchange.

MANAGEMENT

In accordance with The Commercial Act of Bulgaria the company has one-tier management system with managerial posts, as follows: General Meeting of shareholders and Board of Directors.

On 31 December 2009 the members of the Board of Directors were:
Theodoros Karakasis – Member and Chairman of the Board of Directors;
Dimitrios Andritsos – Member of the Board of Directors and Executive Director;
Georgios Vasilantonakis - Member of the Board of Directors and Executive Director;
Zizimos Danilatos - Member of the Board of Directors;
Petia Dimitrova - Member of the Board of Directors;
Ioannis Stournaras - Member of the Board of Directors;
Iordan Souvandjiev - Member of the Board of Directors;
Todor Vlaytchev - Member of the Board of Directors and General Manager.

**EFG PROPERTY SERVICES SOFIA AD
DIRECTORS' REPORT (continued)
31 DECEMBER 2009**

Information on the activity of the Board of Directors of the Company during 2009 pursuant to Art. 247, Para 2 of The Commercial Act of Bulgaria:

Remunerations received generally by the members of the Board of Directors during 2009:

In 2009 the members of the Board of Directors didn't receive remunerations from the Company in their capacity of the members of the Board of Directors.

The shares in the Company or the Company's bonds that the members of the Board of Directors have acquired, possessed or transferred during 2009:

No member of the Board of Directors has owned or transferred shares or bonds of the Company.

Rights of the members of the Board of Directors to acquire shares and bonds of the Company:

No member of the Board of Directors holds special rights of acquisition of shares or bonds of the Company.

The participation of the members of the Board of Directors into commercial companies as:

Partners with unlimited liability:

None

Partners/Shareholders holding more than 25 per cent of the capital of another company:

None

Participants in the management of other companies or cooperatives as procurators, managers or members of the Board of Directors:

Theodoros Karakasis

- Eurobank EFG Bulgaria AD (Bulgaria) – Deputy Chairman of the Board of Directors
- EFG Leasing EAD (Bulgaria) - Member of the Board of Directors
- Bancpost S.A. (Romania) - Member of the Board of Directors
- EFG Retail Services IFN S.A.(Romania)- Chairman of the Board of Directors
- EFG Eurobank Leasing IFN S.A.(Romania)- Chairman of the Board of Directors
- Eurobank Property Services S.A.(Romania) – Chairman of the Board of Directors
- Eurobank EFG a.d. Beograd (Serbia) – Member of the Board of Directors
- EFG Retail Services a.d. Beograd (Serbia)- Chairman of the Board of Directors
- EFG Property Services d.o.o. Beograd (Serbia)- Chairman of the Board of Directors

EFG PROPERTY SERVICES SOFIA AD
DIRECTORS' REPORT (continued)
31 DECEMBER 2009

Dimitrios Andritsos

- Eurobank Property Services S.A. (Greece) – Deputy Chairman of the Board of Directors and CEO
- Eurobank Property Services S.A.(Romania) – Deputy Chairman of the Board of Directors
- EFG Property Services d.o.o. Beograd (Serbia) - Member of the Board of Directors
- IMO Property Investments Bucuresti S.A. (Romania) - Member of the Board of Directors
- IMO Property Investments A.D. Beograd (Serbia) - Member of the Board of Directors
- EFG Property Services Polska Sp. z o.o. (Poland) – Chairman of the Board of Directors

Georgios Vasilantonakis

- Eurobank Property Services S.A.(Romania) – Member of the Board of Directors
- EFG Property Services d.o.o. Beograd (Serbia) - Member of the Board of Directors
- LLC EFG Property Services Ukraine (Ukraine) – Deputy General Manager
- EFG Property Services Polska Sp. z o.o. (Poland) – Deputy Chairman of the Board of Directors

Zizimos Danilatos

- LAMDA Development Romania Srl (Romania)-Executive Director
- LAMDA Estate Development S.A. Atena Sucursala (Romania) - Executive Director
- Robies Proprietati Imobiliare Srl(Romania)- Executive Director
- LAMDA Investment Properties Srl (Romania)- Executive Director
- LAMDA Development Sofia EOOD (Bulgaria)- Executive Director
- TIHI EOOD (Bulgaria)- Executive Director
- GLS OOD (Bulgaria)- Executive Director
- LAMDA Development Vitosha EOOD (Bulgaria)- Executive Director
- LAMDA Development South EOOD (Bulgaria)- Executive Director
- LAMDA Development Beograd DOO (Serbia) - Executive Director
- Property Development Beograd DOO (Serbia) – Deputy Chairman of the Board of Directors
- Singidunum Buildings DOO (Serbia) – Deputy Chairman of the Board of Directors
- Property Investments DOO (Serbia) – Deputy Chairman of the Board of Directors
- LAMDA Development Montenegro DOO (Montenegro) - Executive Director
- S.L. Imobilia DOO Zagreb (Croatia) - Executive Director
- Lamda MED Srl (Romania) - Executive Director

**EFG PROPERTY SERVICES SOFIA AD
DIRECTORS' REPORT (continued)
31 DECEMBER 2009**

Petia Dimitrova

- Eurobank EFG Bulgaria AD – Executive Director and Member of the Board of Directors;
- Bulgarian Retails Services AD – Chairman of the Board of Directors and Executive Director of Directors;
- State enterprise Organisation - Air flight control - Chairman of the Board of Directors
- Bulgarian Business Leaders Forum (BBLF) – Member of the Managing Board.

Ioannis Stournaras

- Eurobank Property Services S.A. (Greece) – Member of the Board of Directors
- Eurobank Property Services S.A.(Romania) – Member of the Board of Directors LLC
- LLC EFG Property Services Ukraine (Ukraine) – Member of the Board of Directors

Iordan Souvandjiev

- Vinimpex 21 AD (Bulgaria) - Member and Chairman of the Board of Directors

Todor Vlaytchev

None

Contracts under article 240b of The Commercial Act of Bulgaria, entered into in 2009:

The Company has not entered into contracts in the sense of Article 240b, paragraph 1 of The Commercial Act of Bulgaria during 2009.

ORGANIZATIONAL STRUCTURE

The Company consists of three divisions: Administration, Appraisal Division and Agency Division. The total number of the personnel at 31 December 2009 is 15 (2008: 16).

OBJECTIVES OF THE COMPANY FOR 2010

The objectives of the Company for the coming year cover:

- Renegotiating of the bank branches' rents on purpose to decrease the operating expenses;
- Persistent cooperation with Eurobank EFG Bulgaria AD at branch network, renegotiating expired contracts, relocation of branches;
- Performing maximum number of valuations in-house, in order to compensate the reduced number of valuation orders;
- Extending and emphasizing on the services for third party clients: valuations; brokerage; advisory; market analysis and legal compliance reports;
- Optimizing the company's staff structure;
- Realizing of assets for sale acquired from Eurobank EFG Bulgaria AD.

EFG PROPERTY SERVICES SOFIA AD
DIRECTORS' REPORT (continued)
31 DECEMBER 2009

Director's responsibilities

The Directors are required by Bulgarian law to prepare financial statements each financial year that give a true and fair view of the state of affairs of the company as at the year end and of the profit or loss and cash flows for the year.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2009.

The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and very high volatility in stock markets. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Indeed the full extent of the impact of the ongoing financial crisis is proving to be impossible to anticipate or completely guard against.

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

Impact on liquidity


No significant effect on Company's liquidity is expected. The Company is financed through retained earning and maintains sufficient cash reserves to maintain operations.

Impact on customers

Debtors of the Company may be affected by the lower liquidity situation which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for customers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. At the time of preparation of the present Financial report the Company do not have any information about such deteriorating operating conditions for its customers.

By order of the management:

.....
Dimitrios Andritsos
Executive Director
EFG Property Services Sofia AD
16 March 2010
Sofia


.....
Georgios Vasilantonakis
Executive Director

EFG PROPERTY SERVICES SOFIA AD
STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2009

<i>(All amounts in Bulgarian leva thousands)</i>	Notes	Year ended 31 December	
		2009	2008
Revenue	15	1,810	2,945
Consumables used	16	(10)	(6)
Expenses for external services	17	(832)	(1,595)
Employee benefits expense	18	(483)	(601)
Depreciation and amortisation	5,6	(14)	(20)
Other expenses	19	(13)	(60)
Operating profit		458	663
Financial gain/(loss), net	20	146	73
Profit before income tax		604	736
Income tax	21	(64)	(78)
Profit for the year		540	658
Total comprehensive income for the year		540	658

The Financial Statements have been approved on 16 March 2010 and signed as follows:

.....
 Executive Director
 Dimitrios Andritsos

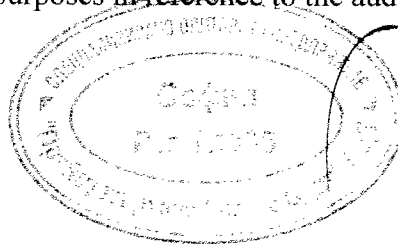
.....
 Executive Director
 Georgios Vasilantonakis

.....
 Financial Manager
 Yordanka Karapetrova

Initialled for identification purposes in reference to the auditor's report:

.....
 Rositsa Boteva
 Registered auditor

16 March 2010
 Sofia, Bulgaria



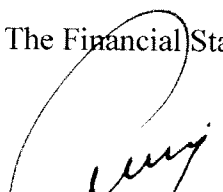
.....
 Petko Dimitrov
 PricewaterhouseCoopers Audit OOD

**EFG PROPERTY SERVICES SOFIA AD
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2009**


(All amounts in Bulgarian leva thousand)

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2008		150	15	1,745	1,910
Profit for the year		-		658	658
Balance as at 31 December 2008	12	150	15	2,403	2,568
Balance as at 1 January 2009		150	15	2,403	2,568
Profit for the year		-	-	540	540
Balance as at 31 December 2009	12	150	15	2,943	3,108

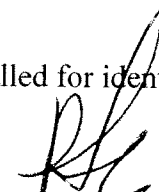
The Financial Statements have been approved on 16 March 2010 and signed as follows:


.....
Executive Director
Dimitrios Andritsos


.....
Executive Director
Georgios Vasilantonakis


.....
Financial Manager
Yordanka Karapetrova

Initialled for identification purposes in reference to the auditor's report:


.....
Rositsa Boteva
Registered auditor

16 March 2010
Sofia, Bulgaria

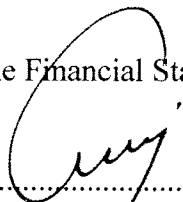




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Petko Dimitrov
PricewaterhouseCoopers Audit OOD

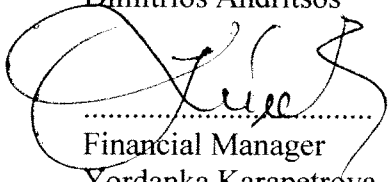
**EFG PROPERTY SERVICES SOFIA AD
CASH FLOW STATEMENT
31 DECEMBER 2009**

<i>(All amounts in Bulgarian leva thousands)</i>	Note	Year ended 31 December	
		2009	2008
<i>Cash flow from operating activities</i>			
Cash receipts from customers		2,119	3,813
Cash payments to employees and suppliers		(1,724)	(3,026)
Income tax paid		(38)	(150)
Net cash flows from operating activities		357	637
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment	5,6	(12)	(23)
Interest received		73	73
Net cash from investing activities		61	50
Net increase in cash		418	687
Cash at beginning of the year	11	2,525	1,838
Cash at end of the year	11	2,943	2,525

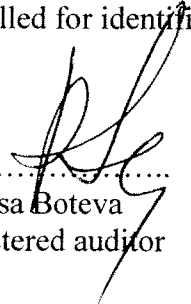
The Financial Statements have been approved on 16 March 2010 and signed as follows:


.....
Executive Director
Dimitrios Andritsos


.....
Executive Director
Georgios Vasilantonakis


.....
Financial Manager
Yordanka Karapetrova

Initialed for identification purposes in reference to the auditor's report:


.....
Rositsa Boteva
Registered auditor




.....
Petko Dimitrov
Price Watchhouse Coopers Audit OOD

16 March 2010
Sofia, Bulgaria

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

1. General information

EFG PROPERTY SERVICES SOFIA AD is a joint stock company and is registered under c.c. 9762/2005 in the trade register of the Sofia City Court. The company is domiciled in the Republic of Bulgaria. The address of its registered office is 30, Tzar Ivan Shishman Str., Sofia 1000.

The Company's principal activities include appraisal and agency services.

EFG PROPERTY SERVICES SOFIA AD is owned by EFG Eurobank Ergasias S.A. with 80% of the share capital and by Lamda Development S.A. with 20 % of the share capital.

According to the Bulgarian legislation the Company's owners are not allowed to make any changes to the statements after their publication.

These financial statements were authorised for issue by the management of the Company on 16 March 2010.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of EFG Property Services Sofia AD have been prepared in accordance with all International Financial Reporting Standards (IFRS), which comprise Financial Reporting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations, approved by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the Standing Interpretations Committee (SIC) interpretations, approved by the International Accounting Standards Committee (IASC), which are effectively in force on 1 January 2009 and have been accepted by the Commission of the European Union.

For the current financial year the Company has adopted all new and/or revised standards and interpretations, issued by the International Accounting Standards Board (IASB) and respectively, by IFRIC, which are relevant to its activities.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the company

The Company has adopted the following new and amended IFRSs as of 1 January 2009:

IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009.

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

IAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity statement of comprehensive income. As a result the company presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(b) Standards, amendments and Interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2010 or later periods that the Company has not early adopted:

IFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) deals with vesting conditions and cancellations.

IFRS 9, Financial Instruments (issued in November 2009, effective for annual periods beginning on or after 1 January 2013, with earlier application permitted; yet adopted by the EU). IFRS 9 replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortized cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortized cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent only payments of principal and interest (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognize unrealized and realized fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

IFRIC 12, Service Concession Arrangements [(IFRIC 12 as adopted by the EU is effective for annual periods beginning on or after 30 March 2009, with early adoption permitted).

IAS 27, Consolidated and Separate Financial Statements (revised January 2008; effective for annual periods beginning on or after 1 July 2009).

(c) Additionally, in regard of the stated below new standards, amended/revised standards and new interpretations that have been issued but not yet in force as at 1 January 2009, the management has judged that they are unlikely to have potential impact resulting in changes in the accounting policies and the financial statements of the Company:

IFRS 3, Business Combinations (revised January 2008; effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009).

IFRIC 15, Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2009; IFRIC 15 as adopted by the EU is effective for annual periods beginning after 31 December 2009, with early adoption permitted).

IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008; IFRIC 16 as adopted by the EU is effective for annual periods beginning after 30 June 2009, with early adoption permitted).

IFRS 1, First-time Adoption of International Financial Reporting Standards (following an amendment in December 2008, effective for the first IFRS financial statements for a period beginning on or after 1 July 2009; restructured IFRS 1 as adopted by the EU is effective for annual periods beginning after 31 December 2009, with early adoption permitted).

IFRIC 18, Transfers of Assets from Customers (effective prospectively to transfers of assets from customers received on or after 1 July 2009, earlier application permitted; IFRIC 18 as adopted by the EU is effective for annual periods beginning after 31 October 2009, with early adoption permitted).

Additional Exemptions for First-time Adopters - Amendments to IFRS 1, First-time Adoption of IFRS (effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU).

Classification of Rights Issues – Amendment to IAS 32, Financial Instruments: Presentation (effective for annual periods beginning on or after 1 February 2010).

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010; not yet adopted by the EU).

Prepayments of a Minimum Funding Requirement – Amendment to IFRIC 14 (effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU).

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

(d) Standards, amendments and Interpretations to existing standards that are not yet effective and not relevant for the Company's operations – not yet endorsed by EU

Group Cash-settled Share-based Payment Transactions - Amendments to IFRS 2, Share-based Payment (effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU).

Additional Exemptions for First-time Adopters - Amendments to IFRS 1, First-time Adoption of IFRS (effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU).

Classification of Rights Issues – Amendment to IAS 32, Financial Instruments: Presentation (effective for annual periods beginning on or after 1 February 2010).

IAS 24, Related Party Disclosures (amended November 2009, effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU).

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010; not yet adopted by the EU).

Prepayments of a Minimum Funding Requirement – Amendment to IFRIC 14 (effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU).

The Company maintains its accounting books in Bulgarian lev (BGN), which is accepted as being its presentation currency. The data in the financial statements and the notes thereto is presented in thousand Bulgarian levs (BGN'000) except where it is explicitly stated otherwise.

The presentation of financial statements in accordance with IFRS requires the management to make best estimates, accruals and reasonable assumptions that affect the reported values of assets and liabilities, the amounts of income and expenses and the disclosure of contingent receivables and payables as at the date of the financial statements. These estimates, accruals and assumptions are based on the information, which is available at the date of the financial statements, and therefore, the future actual results might be different from them.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.2 Comparatives

The accompanying financial statements of the Company include comparative information for one prior year (period).

Where necessary, comparative data is reclassified (and restated) in order to achieve compatibility in view of the current year presentation changes.

2.3 Functional currency and recognition of exchange differences

The functional and presentation currency of the Company is the Bulgarian Lev. Starting from 1 July 1997 the Bulgarian Lev was fixed under the Bulgarian National Bank Act to the German Mark at the ratio of BGN 1: DEM 1, and with the introduction of the Euro as the official currency of the European Union, it was fixed to the Euro at a ratio of BGN 1.95583: EUR 1.

Upon its initial recognition, a foreign currency transaction is recorded in the functional currency whereas the exchange rate to BGN at the date of the transaction or operation is applied to the foreign currency amount. Cash and cash equivalents, receivables and payables, as monetary reporting items, denominated in foreign currency, are recorded in the functional currency by applying the exchange rate as quoted by the Bulgarian National Bank (BNB) for the last working day of the respective month. At 31 December, these amounts are presented in BGN at the closing exchange rate of BNB.

The non-monetary items in the balance sheet, which are initially denominated in a foreign currency, are accounted for in the functional currency by applying the historical exchange rate at the date of the transaction and are not subsequently re-valued at the closing exchange rate.

Foreign exchange gains or losses arising on the settlement of foreign currency transactions or the recording of foreign currency transaction at rates different from those at which they were converted on initial recognition, are included in the income statement when incurred and are presented net as 'other operating income/expenses'.

The closing exchange rates of the BGN against the major foreign currencies relevant to the Company's operations for the reporting periods of the financial statements are as follows:

	As at 31 December	
	2009	2008
1 USD	1.38731	1.33122
1 EUR	1.95583	1.95583

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.4 Revenue

Revenue is recognized on accrual basis and to the extent that it is probable that the economic benefits will flow to the Company and as far as the revenue can be reliably measured. Upon sale of finished products, goods and materials, revenue is recognized when all significant risks and rewards of ownership have passed to the buyer.

Upon rendering of services, revenue is recognized by reference to the stage of completion of the transaction at the balance sheet date, if this stage as well as the transaction and completion costs, can be measured reliably.

Revenue is measured on the basis of the fair value of the goods and services sold, net of indirect taxes (excise duties and VAT) and any discounts and rebates granted.

The net foreign exchange gains or losses related to cash, trade receivables and payables, denominated in foreign currency, are recognized in the income statement in the period, in which they arise and are presented net under 'other operating income'. The presentation of interest on bank deposits and trade receivables is analogous.

2.5 Expenses

Expenses are recognized as they are incurred, following the accrual and matching concepts. Prepayments are deferred and are recognized as current expenses in the period when the contracts, where to they refer, are performed.

Finance costs are included in the income statement when incurred and comprise: interest costs, including bank charges and other direct expenses on loans and bank guarantees; exchange differences on loans denominated in foreign currency (net), gains and losses (net) on derivatives, classified as hedges. They are presented net of finance income on the face of the income statement.

2.6 Property and equipment

Property and equipment are presented in the financial statements at historical cost of acquisition (cost) modified by one-off revaluation to fair value, based on a report issued by certified appraisers as at 1 February 2003, and less the accumulated depreciation and any impairment losses. This value has been accepted as deemed cost of acquisition. The one-off revaluation was performed to meet the requirements of the National Accounting Standards (NAS) amended for the purpose of aligning them maximally close to IAS and, in particular, NAS 16 "Property, Plant and Equipment" in force since 1 January 2002. The effects of the revaluation are included in the balances of the property, plant and equipment and accumulated profits (specific reserve).

Initial measurement

Upon their initial acquisition, property and equipment are valued at *cost*, which comprises the purchase price, customs duties and any other directly attributable costs of bringing the asset to working condition for its intended use.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.6 Property and equipment (continued)

The directly attributable costs include the cost of site preparation, initial delivery and handling costs, installation costs, professional fees for people involved in the project, non-refundable taxes etc.

Upon acquisition of property and equipment under deferred settlement terms, the purchase price is equivalent to the present value of the liability discounted on the basis of the interest level of the attracted by the Company credit resources.

For all assets, excluding packaging and marketing equipment, the Company has set a value threshold of BGN 300, below which the acquired assets, regardless of having the features of non-current asset, are being 100% depreciated and treated as current expense at the moment of their acquisition. Tent structures and other similar advertising installations are treated as current expense for accounting purposes from the time of their acquisition (with regard to taxation, they are included in the Tax Depreciation Plan and are depreciated for tax purposes).

Subsequent measurement

The chosen by the Company approach for subsequent measurement of property and equipment is the cost model under IAS 16 "Property, Plant and Equipment", i.e. acquisition cost (cost) less any accumulated depreciation and any accumulated impairment losses in value, except for land and buildings to which the revaluation model is applied.

Depreciation methods

The Company applies the straight-line depreciation method for property and equipment. Depreciation of an asset begins when it is available for use. The useful life per group of assets has been determined considering: physical wear, the characteristic features of the equipment, the intentions for future use and the expected obsolescence, and is as follows:

	Years
Machinery and equipment	4,17
Office furniture	6,7

The useful life, set for any tangible non-current asset, is reviewed at the end of each reporting period and in case of any material deviation from the future expectations of their period of use, the latter is adjusted prospectively.

Subsequent costs

Repair and maintenance costs are recognized as current expenses as incurred. Subsequent expenses incurred in relation to property, plant and equipment having the nature of replacement of certain components, significant parts and aggregates or improvements and restructuring, are capitalized in the carrying amount of the respective asset whereas the residual useful life is reviewed at the capitalization date. At the same time, the non-depreciated part of the replaced components is derecognized from the carrying amount of the assets and is recognized in the current expenses for the period of restructure.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.6 Property and equipment (continued)

Impairment of assets

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that they might significantly differ from their recoverable amount. If any indications exist that the estimated recoverable amount of an asset is lower than its carrying amount, the latter is adjusted to the recoverable amount of the asset. The recoverable amount of property and equipment is the higher of the fair value less costs to sell or the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions and assessments of the time value of money and the risks, specific to the particular asset. Impairment losses are recognized in the income statement unless a revaluation reserve has been set aside for the respective asset. Then impairment is treated as a decrease in this reserve except where it exceeds its amount.

Gains and losses on disposal (sale)

Tangible non-current assets are derecognized from the balance sheet when they are permanently disposed of and no future economic benefits are expected there from or on sale. The gains or losses arising from the sale of an item of property and equipment are determined as the difference between the consideration received and the carrying amount of the asset at the date of sale. They are stated net under 'other operating income/expenses' on the face of the income statement.

2.7 Intangible assets

Intangible assets are stated in the balance sheet at acquisition cost (cost) less accumulated amortization and any impairment losses. Cost is the fair value of the respective asset as at the date of acquisition and includes purchase price and any other directly attributable transaction costs. They include software, licenses for software use.

The Company applies the straight-line amortization method for the intangible assets as follows:
Software and licenses for software use – 4.17 years.

The carrying amount of the intangible fixed assets is subject to review for impairment when events or changes in the circumstances indicate the carrying amount might exceed their recoverable amount. Then the impairment loss is included as an expense in the income statement. Intangible assets are derecognized from the balance sheet when they are permanently disposed of and no future economic benefits are expected from their use or on sale. The gains or losses arising from the sale of an item of intangible assets are determined as the difference between the disposal proceeds and the carrying amount of the asset at the date of sale. They are stated net under 'other operating income/expenses' on the face of the income statement.

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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.8 Trade and other current assets

Trade receivables are recognized and carried at fair value based on the original invoice amount (cost) less any allowance for uncollectable debts. In case of payments deferred over a period exceeding the common credit terms, where no additional interest payment has been envisaged or the interest considerably differs from the common market interest rates, the receivables are initially valued at their fair value and subsequently – at amortized cost, after deducting the interest incorporated in their nominal value and determined following the effective interest rate method. An estimate of allowances for doubtful and bad debts is made when significant uncertainty exists as to the collection of the full amount or a part of it. A provision for impairment of trade receivables is established when objective evidence is available that the Company will be unable to collect all amounts in line with the originally set terms. Significant financial difficulties of the debtor, probability that the debtor will enter insolvency proceedings or other financial reorganization, default or overdue payment (more than 90 days past due) are considered by the management when it defines and classifies a particular receivable as impaired. The impairment amount is the difference between the carrying amount of the receivable and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount is adjusted through the use of an allowance account for accumulating all impairments and the amount of the impairment loss for the period is recognized in the income statement within 'Distribution and selling costs'. In case of subsequent recovery of impairment loss, it is stated under 'other operating income' against a decrease in the allowance account. Bad debts are written-off when the legal grounds for this are available. The write-off is at the expense of the allowance account.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts and short-term deposits with banks, with original maturity of less than three months.

2.10 Payables to suppliers and other current liabilities

Payables to suppliers and other current amounts payable are carried at original invoice amount (cost), being the fair value of the consideration to be paid in the future for goods and services received.

In case of payments deferred over a period exceeding the common credit terms, where no additional interest payment has been envisaged or the interest considerably differs from the common market interest rates, the payables are initially valued at their fair value and subsequently – at amortized cost, after deducting the interest incorporated in their nominal value and determined following the effective interest rate method.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.11 Leases

Operating lease

Leases where the lessor keeps a substantial part of all risks and economic benefits incidental to the ownership of the specific asset are classified as operating leases.

Operating lease payments are recognized as expenses in the income statement on a straight-line basis over the lease term.

2.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle (repay) the obligation. The measurement of provisions is based on the best estimate, made by the management at the balance sheet date, concerning the expenses that will be incurred for the settlement of the particular obligation. The estimate is discounted if the obligation is long-term.

2.13 Pensions and other payables to personnel under the social security and labour legislation

Social, pension and health funds

The company is obliged by the current Bulgarian legislation to make fixed contribution on behalf of the employees in a social fund operated by the Government. All those payments/liabilities are recognized as an expense in the period to which those relate.

The Company has no further payment obligations once the contributions have been paid.

2.14 Share capital and reserves

The Company is a joint-stock one and is obliged to register with the Commercial Register a specified **share capital**, which should serve as a security for the creditors of the Company for execution of their receivables. The shareholders are liable for the obligations of the Company up to the amount of the share of the capital held by each of them and may claim refunding of this share only in case of liquidation or bankruptcy proceedings. The Company reports its share capital at the nominal value of the shares registered in the court.

According to the requirements of the Commercial Act and the Articles of Association, the Company is obliged to set aside a **Reserve Fund** by using the following sources:

- at least one tenth of the profit, which should be allocated to the Fund until its amount reaches one tenth of the share capital or any larger amount as provided in the Articles of Association;
- any premium received in excess of the nominal value of shares upon their issue (share premium reserve);
- other sources as provided for by a decision of the General Meeting.

The amounts in the Fund can only be used to cover current loss or losses from previous years.

When the amount of the Fund reaches the minimum value specified in the Statutes, the excess may be used for increasing share capital.

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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2 Accounting policy (continued)

2.15 Financial instruments

2.15.1 Financial assets

The Company classifies its financial assets in the category 'loans and receivables', including cash and cash equivalents. The classification depends on the nature and purpose (designation) of the financial assets at the date of their acquisition. The management determines the classification of the financial assets of the Company at the time of their initial recognition on the balance sheet.

The Company usually recognizes its financial assets on the balance sheet on the trade date, being the date on which the Company commits (undertakes an ultimate engagement) to purchase the respective financial assets. All financial assets are initially measured at their fair value plus the directly attributable transaction costs. Financial assets are derecognized from the Company's balance sheet when the rights to receive cash (flows) from these assets have expired or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership of the asset to another entity (person). If the Company retains substantially all risks and rewards associated with the ownership of a particular transferred financial asset, it continues to recognize the transferred asset on its balance sheet but also recognizes a secured liability (a loan) for the consideration received.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured in the balance sheet at their amortized cost using the effective interest method less any allowance for impairment. These assets are included in current assets when having maturity within 12 months or within a common operating cycle of the Company while the remaining ones are classified as non-current assets. This group of financial assets includes: loans granted, trade receivables, other receivables from counterparts and third parties, cash and cash equivalents from the balance sheet. Interest income on loans and receivables is recognized by applying the effective interest rate except for short-term receivables (less than three months) where the recognition of such interest would be unjustifiable as immaterial and within the common credit terms. It is presented in the income statement under 'other operating income, net'.

The Company assesses at each balance sheet date whether events and circumstances have occurred that indicate the existence of objective evidence that an individual asset or a group of assets is impaired.

2.15.2 Financial liabilities

The financial liabilities of the Company include loans and payables to suppliers and other counterparts. They are initially recognized on the balance sheet at fair value net of the directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

2 Accounting policy (continued)

2.16 Income taxes

Current income taxes

Current income taxes are determined in accordance with the requirements of the Bulgarian tax legislation – the Corporate Income Taxation Act (CITA). The nominal income tax rate for year 2009 is 10 % (2008: 10%).

Deferred income taxes

Deferred income taxes are determined using the liability method on all temporary differences, existing at the balance sheet date, between the carrying amounts of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses, to the extent that it is probable they will reverse and a taxable profit will be available or taxable temporary differences might occur, against which these deductible temporary differences can be utilized, with the exception of the differences arising from the initial recognition of an asset or liability, which has affected neither the accounting nor taxable profit or loss as at the date of the transaction.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that they will reverse and sufficient taxable profit will be generated or taxable temporary differences will occur in the same period, from which they can be deducted. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period when the asset will be realized or the liability will be settled (paid), based on the tax laws that are enacted or to a great degree of probability will be enacted. As at 31 December 2009, the rate for year 2010 has been applied -10% (2008: 10%).

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Foreign exchange risk

The Company operates in Bulgaria and since the Bulgarian Leva (BGN) has been pegged to the EUR at the fixed rate by the means of the currency board, the Company is exposed to foreign exchange risk to the extent of transactions denominated in currencies other than the EUR. The Company does not believe that the peg will change within the next 12 months and therefore no sensitivity analysis has been performed.

The table below shows the concentration of currency risk of significant financial assets and liabilities.

As at 31 December 2009	BGN	EUR	Total
Assets as per balance sheet			
Related party receivables (Note 24.1)	137	-	137
Accrued interest	22	51	73
Trade receivables	6	-	6
Other receivables	27	-	27
Cash and cash equivalents	1,575	1,369	2,944
	1,767	1,420	3,187
Liabilities as per balance sheet			
Trade payables	46	-	46
Related party payables (Note 24.1)	1	-	1
	47	-	47
As at 31 December 2008			
Assets as per balance sheet			
Related party receivables (Note 24.1)	84	-	84
Trade receivables	6	-	6
Other receivables	49	-	49
Cash and cash equivalents	2,525	-	2,525
	2,665	-	2,665
Liabilities as per balance sheet			
Trade payables	44	-	44
Related party payables (Note 24.1)	-	-	-
	44	-	44

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Cash flow interest rate risk

As the Company has no significant interest-bearing liabilities, the Company's costs, income and operating cash flows are substantially independent of changes in market interest rates.

In 2009 the Company's interest rate risk arises from three short-term bank deposits held at Eurobank EFG Bulgaria AD (part of EFG Group) amounting to BGN 2,619 thousand with renegotiated maturity of 1 year. In 2008 the Company has a short-term bank deposit at Eurobank EFG Bulgaria AD amounting to BGN 1,546 thousand with renegotiated maturity of 3 months.

Deposits issued at variable rates expose the Company to cash flow interest rate risk. The management of the Company has performed a sensitivity analysis in order to assess its cash flow interest rate risk. The simulation is done on a monthly basis to verify that the maximum loss potential is within the limit given by the management.

If interest rate decreases by 1% on annual basis in 2009, the impact on post-tax profit would be maximum decrease of BGN 16 thousand.

If interest rate increases by 1% on annual basis in 2009, the impact on post-tax profit would be maximum increase of BGN 16 thousand.

(c) Credit risk

The Company has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a satisfactory rating are accepted. Management of the Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. Sales to customers are settled in cash or by credit.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises of cash and cash equivalents (Note 11)) on the basis of expected cash flow.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

3. Financial risk management (continued)

3.1. Financial risk factors (continued)

(d) Liquidity risk (continued)

As at 31 December 2009	Less than 1 year
Trade payables	46
	<u>46</u>

As at 31 December 2008	Less than 1 year
Trade payables	44
	<u>44</u>

(e) Capital risk

EFG Property Services' objective when managing capital is to maintain a capital structure which safeguards its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders. The Company uses the ratio of net debt to total capital. Net debt is defined as the sum of total borrowings and payables to clients and suppliers less cash and bank balances. Total capital is defined as the sum of shareholders equity and net debt.

The table below summarizes the Company's capital structure:

	2009	2008
Payables to suppliers and clients	<u>116</u>	<u>138</u>
Total borrowed funds	116	138
Cash and bank balances	<u>(2,944)</u>	<u>(2,525)</u>
Net debt	(2,828)	(2,387)
Shareholders equity	3,108	2,568
Total capital	(280)	(181)
Net debt /		
Total capital	1,01%	1,319%

3.2 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates at 31.12.2009 that are critical to the carrying value of assets and liabilities.

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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5 Equipment

	Machines & equipment	Furniture & Fittings	Total
As at 1 January 2008			
Cost	59	28	87
Accumulated depreciation	(56)	(9)	(65)
Net book amount	3	19	22
Year ended 31 December 2008			
Opening net book amount	3	19	22
Additions	7	10	17
Disposals (at net book value)	-	(2)	(2)
Depreciation charge	(6)	(5)	(11)
Closing net book amount	4	22	26
As at 31 December 2008			
Cost	15	35	50
Accumulated depreciation	(11)	(13)	(24)
Net book amount	4	22	26
Year ended 31 December 2009			
Opening net book amount	4	22	26
Additions	1	-	1
Depreciation charge	(2)	(5)	(7)
Closing net book amount	3	17	20
As at 31 December 2009			
Cost	16	36	52
Accumulated depreciation	(13)	(19)	(32)
Net book amount	3	17	20

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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6 Intangible assets

	Software
As at 1 January 2008	
Cost	33
Accumulated amortization	(20)
Net book amount	<u>13</u>
Year ended 31 December 2008	
Opening net book amount	13
Additions	6
Disposals	(1)
Amortization charge	(9)
Closing net book amount	<u>9</u>
As at 31 December 2008	
Cost	39
Accumulated amortization	(30)
Net book amount	<u>9</u>
Year ended 31 December 2009	
Opening net book amount	9
Additions	11
Amortization charge	(7)
Closing net book amount	<u>14</u>
As at 31 December 2009	
Cost	50
Accumulated amortization	(36)
Net book amount	<u>14</u>

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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7 Financial instruments by category

As at 31 December 2009

Assets as per balance sheet	Loans and receivables
Trade receivables (Note 24.iii)	137
Accrued interest	73
Other receivables	33
Cash and cash equivalents (Note 11)	2,944
	<u>3,187</u>
	Other financial liabilities
Liabilities as per balance sheet	
Trade payables (Note 13)	46
Related party payables	1
	<u>47</u>

As at 31 December 2008

Assets as per balance sheet	Loans and receivables
Trade receivables (Note 24.iii)	84
Other receivables	55
Cash and cash equivalents (Note 11)	2,525
	<u>2,664</u>
	Other financial liabilities
Liabilities as per balance sheet	
Trade payables (Note 13)	44
	<u>44</u>

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

8 Deferred income tax

Deferred income tax assets and liabilities are accounted for all temporary differences arising from differences between the accounting and tax carrying values of the assets and the liabilities. Deferred income taxes are calculated at the tax rate that would be effective at the time they are realised. The tax applicable for 2009 is 10% (2008: 10%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same fiscal authority.

	As at 31 December	
	2009	2008
Deferred income tax assets:		
– Deferred income tax assets to be recovered after more than 12 months	(5)	(6)
	<u>(5)</u>	<u>(6)</u>

	As at 31 December	
	2009	2008
Deferred income tax liabilities:		
– Deferred income tax liabilities to be recovered after more than 12 months	2	1
	<u>2</u>	<u>1</u>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Equipment	Accrual for bonuses	Total
As at 1 January 2008	(1)	(5)	(6)
(Charged)/credited to the income statement	1	(2)	(1)
As at 31 December 2008	-	(7)	(7)
(Charged)/credited to the income statement	-	2	2
As at 31 December 2009	-	(5)	(5)

Deferred tax liabilities	Equipment	Accrual for bonuses	Total
As at 31 December 2008	1	-	1
(Charged)/credited to the income statement	1	-	1
As at 31 December 2009	2	-	2

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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

9 Trade receivables

	As at 31 December	
	2009	2008
Receivables from related parties (Note 24.iii)	137	84
	<u>137</u>	<u>84</u>

The carrying amount of receivables approximates their fair value.

The aging of receivables is as follows:

	As at 31 December	
	2009	2008
Up to 1 month	137	84
	<u>137</u>	<u>84</u>

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	As at 31 December	
	2009	2008
Currency		
BGN	137	84
	<u>137</u>	<u>84</u>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

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10 Other receivables	As at 31 December	
	2009	2008
Prepaid expenses	16	17
Cars deposit	6	6
	<u>22</u>	<u>23</u>

The carrying amount of receivables approximates their fair value.

The aging of receivables is as follows:

	As at 31 December	
	2009	2008
Up to 12 months	22	23
	<u>22</u>	<u>23</u>

The carrying amounts of the Company's other receivables are denominated in the following currencies:

11 Cash and cash equivalents	As at 31 December	
	2009	2008
Current bank account at Eurobank EFG Bulgaria AD (Note 24.iv)	325	978
Short-term bank deposit at Eurobank EFG Bulgaria AD (Note 24.iv)	2,619	1,546
Cash in hand	-	1
Accrued interest	73	-
	<u>3,017</u>	<u>2,525</u>

The Company's short-term bank deposits held at Eurobank EFG Bulgaria AD bear interest between 5.50%; and 7.00% per annum. The bank rating as at 31 December 2009 is BBB -.

For the purposes of the cash flow statement the cash and cash equivalents include cash in hand and cash at banks.

The Company has no bank overdrafts at each date of the balance sheets.

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
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(in all notes the amounts are presented in BGN thousands unless otherwise stated)

11 Cash and cash equivalents (continued)

The carrying amounts of the Company's cash and cash equivalents are denominated in the following currencies:

Currency	As at 31 December	
	2009	2008
BGN	1,598	2,525
EUR	1,419	-
	3,017	2,525

12 Share capital

	As at 31 December	
	2009	2008
Share capital	150	150
Other reserves	15	15
	165	165
	Number of Shares	Ordinary Shares BGN 000
At 31 December 2008	150,000	150
At 31 December 2009	150,000	150

The total authorized number of ordinary shares is 150 thousands with a par value of BGN 1. All issued shares are fully paid.

In 2007 the Company has transferred from retained earnings to other reserves the amount equal to 1/10 (one tenth) of the Company's registered share capital as to form legal reserves in accordance with the requirements of the Commercial Law.

The legal reserves are non-distributable to the Company's shareholders as they could only be used for covering accumulated losses from prior years.

13 Trade payables

	As at 31 December	
	2009	2008
Trade payables	46	44
Related party payables	1	-
	47	44

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14 Other payables	As at 31 December	
	2009	2008
Accrual for salary bonuses	45	73
VAT payable	21	9
Accrual for unused paid leave	3	4
Payables to employees	-	7
Other tax payables	-	1
	69	94
15 Revenue	2009	2008
Sales of:		
Evaluation and intermediary services to related parties (Note 24.1.i)	1,780	2,939
Evaluation and intermediary services to clients	30	6
	1,810	2,945
16 Consumables used	2009	2008
Expenses for:		
- fuel	(6)	(2)
- stationery	(3)	(3)
- office equipment	-	(1)
- others	(1)	-
	(10)	(6)
17 Expenses for external services	2009	2008
Expenses for:		
- subcontractors	(710)	(1,316)
- rent	(86)	(60)
- phones	(9)	(10)
- audit	(8)	(8)
- utilities	(5)	-
- couriers	(3)	(7)
- agency services	(2)	(32)
- maintenance	(2)	(8)
- advertising and promotions	(1)	(45)
- entertainment expenses	(1)	(9)
- security	(1)	-
- consultancy	-	(65)
- lawyers	-	(12)
- fuel	-	(11)
- stationery	-	(5)
- technical services	-	(1)
- other	(4)	(6)
	(832)	(1,595)

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18 Employee benefits expense

	2009	2008
Salaries	(379)	(435)
Social securities and health insurance contribution	(49)	(70)
Salary bonuses	(27)	(66)
Life insurance	(22)	(21)
Unused paid leave	1	1
Other employee benefits	(7)	(11)
	<u>(483)</u>	<u>(601)</u>

The total number of employees as at 31 December 2009 is 15 (As at 31 December 2008: 16)

19 Other expense

	2009	2008
Business trips abroad	(9)	(39)
One-off taxes	(3)	(6)
Business trips in the country	(1)	(1)
Bad debts loss	-	(14)
	<u>(13)</u>	<u>(60)</u>

20 Financial gain/ (loss), net

	2009	2008
Interest income - bank accounts (Note 24.1.v)	148	76
Bank charges (Note 24.1.vi)	(2)	(3)
	<u>146</u>	<u>73</u>

21 Income tax expense

	2009	2008
Current income tax	61	79
Deferred income tax (Note 8)	3	(1)
Income tax charge	<u>64</u>	<u>78</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2009	2008
Profit before income tax	<u>604</u>	<u>736</u>
Tax calculated at a tax rate applicable to profits 10% (2008: 10 %)	61	74
Tax effect of expenses not deductible for tax purposes	3	4
Tax charge	<u>64</u>	<u>78</u>

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

22 Contingent liabilities

The Company is no defendant on any court cases. The management does not expect the company to suffer any significant losses.

During 2009 the company has not been subject to any tax audits.

Tax authorities may challenge the way of calculating tax losses carried forward as well as assess additional taxes, including value added tax (VAT), penalties and interest, which can be significant.

The tax authorities could check the financial reports and records for the five successive tax years of the current tax period and impose additional penalties. Management of the Company is not aware of any circumstances that could lead to substantial obligations in this area.

23 Commitments

EFG PROPERTY SERVICES SOFIA AD has commitments according to agreement for rent of an office and three operating lease agreement for cars.

The future aggregate minimum lease payments under non-cancellable leases are as follows:

	As at 31 December	
	2009	2008
Not later than 1 year	6	6
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

24 Related-party transactions

The Company policy for related-party transactions is that those should be made on terms equivalent to those that prevail in arm's length transactions.

EFG PROPERTY SERVICES SOFIA AD is owned by EFG Eurobank Ergasias S.A. with 80% of the share capital and by Lamda Development S.A. with 20% of the share capital.

The parent company of EFG EUROBANK ERGASIAS SA is EFG Bank European Financial Group (EFG Group), headquartered in Geneva, Switzerland. EFG Bank European Financial Group (EFG Group) is listed on the Swiss Stock Exchange.

24.1 Transactions and balances with other related parties

i) Rendering of services

	2009	2008
Eurobank EFG Bulgaria AD	1,715	2,915
EFG Leasing EAD	50	7
EFG Auto Leasing EAD	15	-
Eurobank Properties REIC	-	17
	1,780	2,939

ii) Supplies of services

	2009	2008
Eurobank EFG Bulgaria AD	76	37

iii) Receivables from related parties relating to sales of services

	As at 31 December	
	2009	2008
Eurobank EFG Bulgaria AD	131	84
EFG Leasing EAD	3	-
EFG Auto Leasing EAD	3	-
	137	84

EFG PROPERTY SERVICES SOFIA AD
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
31 DECEMBER 2009

(in all notes the amounts are presented in BGN thousands unless otherwise stated)

24 Related-party transactions (continued)

24.1 Transactions and balances with other related parties (continued)

iv) Cash and cash equivalents held at related parties	As at 31 December	
	2009	2008
Eurobank EFG Bulgaria AD		
Current bank account	325	978
Short-term bank deposit	2,619	1,546
	<u>2,944</u>	<u>2,524</u>
v) Interest income		
	2009	2008
Eurobank EFG Bulgaria AD		
Interest income on bank accounts	148	76
	<u>148</u>	<u>76</u>
vi) Bank charges		
	2009	2008
Eurobank EFG Bulgaria AD		
Bank charges on bank accounts	2	3
	<u>2</u>	<u>3</u>
vii) Key management compensation		
	2009	2008
Short term employee benefits	87	89
Life insurance	1	1
	<u>88</u>	<u>90</u>

As at 31 December 2009 the Company has no payables to the management (31 December 2008: 0)

25 Events after the balance sheet date

There are no significant post balance sheet events with effect on the financial statements.

Independent auditor's report

To the Shareholders and Board of Directors of EFG PROPERTY SERVICES SOFIA AD

Report on the Financial Statements

We have audited the accompanying financial statements of EFG PROPERTY SERVICES SOFIA AD (the "Company") which comprise the balance sheet as of 31 December 2009 and the statement of comprehensive income, 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 the 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 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 give a true and fair view of the financial position of EFG PROPERTY SERVICES SOFIA AD as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

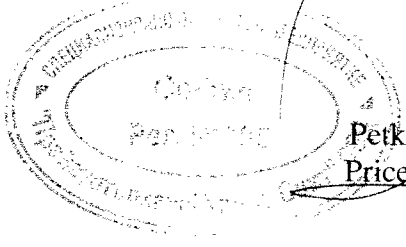

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the Annual Report in accordance with the Accounting Act.

We are required by the Accounting Act to express an opinion whether the Annual Report is consistent with the annual financial statements of the Company.

In our opinion, the Annual Report set out on pages 3 to 7, is consistent with the accompanying financial statements of the Company as of 31 December 2009.


Rositsa Boteva
Registered Auditor
16 March 2010
Sofia, Bulgaria



Petko Dimitov
PricewaterhouseCoopers Bulgaria EOOD