

Announcement on review of financial statements / accounting records

In response to the document No 7632/28-02-2003 of the Athens Exchange, A. KAMBAS REAL ESTATE SA wishes to announce the following:

The Company presented losses in the financial years 2001 and 2002, according to what is indicated in the October 2002 Prospectus.

A. In particular, the losses for 2001 are mainly due to the lack of activity on the part of the Company, combined with the postponement of its plans for commercial exploitation of the estate in Kantza, after the of the annulment decision of the Council of State, regarding the inclusion of the said estate in the city plan.

B. In 2002, the Company moved on to taking important decisions, both regarding its activities and with respect to its investing plans, in order to invert its negative financial course.

More specifically, the Company decided the take-over and eventually the absorption of TECHNO TECHNICAL SA and REDS SA and thus becoming involved in the real estate development services. At the same time, being the beneficiary of TECHNO, the Company has taken up the operation and commercial exploitation of the entertainment centre in Patra while it acquired 67% of the development company of the model housing complex "Lofos Palini". Moreover, the Company undertook the development of a property in Ilion, Attica, including construction of an entertainment centre, which will be launched for commercial operation in the 4th Quarter of 2003.

Recently, the company changed its name to "REDS SA", taking advantage of the successful attendance of the absorbed company of the same name in the area of real estate services.

The Company presented loss in the financial year 2002, due to the following facts: a) the absorption of the above companies was completed on the 30-12-2002 and the closing period results comprise only four months of the new consolidated activities, b) as a result of the absorption, the company was burdened with the administrative costs as well as with the depreciations of the merged companies, which appear to be increased since they are carried out for a 12-year period, c) it presents increased financial costs, due to the partial coverage of the recent share capital increase and the time delay of the relevant input and d) the project "Lofos Palini" is still at the stage of construction.

C. The Company estimates that the negative financial results cannot affect the course of its operations and the structure of its assets, given the substantial value of its real property as well as its perspectives as they are determined after the above strategic decisions.

D. For the current fiscal period, the Company will fulfill its current investment plans (Ilion, Lofos), it will continue to accommodate the service provision and project construction contracts and it will seek to broaden its collaboration with third parties in the area of service provision. The Company's forecasts for the financial year 2003 currently remain as indicated in chapter 16 (re: "forecast results") of the October 2002 Prospectus.

Finally, there is no foreseeable event that could adversely affect the Company's property or financial structure. In any case, the Company will provide information according to the provisions laid down with respect to any such event.

Maroussi, 4 March 2003

The Board of Directors