

LAMDA DEVELOPMENT



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06 Annual Report 2006

LAMDA  
DEVELOPMENT

Annual Report 2006

# 06

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# Letter to Shareholders

Athens, May 2007

Dear Shareholders,

During 2006, LAMDA Development established its position as the dynamic leader in the development and management of commercial and leisure centres in Greece.

Beyond the outstanding success of The Mall Athens and Mediterranean Cosmos in Thessaloniki – where occupancy rates reached 100% and 98% respectively – the company has established itself as the leader in the commercial and leisure centre sector, especially following the concession of the IBC on Kifissias Avenue from Olympic Properties S.A., for the development and operation of an upscale commercial centre.

A significant development for the company and, for Greece, was the agreement to transfer 50% of LAMDA Development shares in The Mall Athens to HSBC Property Investments. This agreement confirmed the successful development and management of Greece's first large commercial and leisure centre and set the standards for the modernization of the retail sector in Greece. Furthermore, LAMDA Development's agreement with HSBC brought a profit of €33 million, on top of the €43 million gains that resulted from the appraisal at fair market value of The Mall Athens in the first semester of 2006.

The centres performed particularly well, both in terms of visitor numbers and commercial activity, and thus, contributed significantly to the 34% increase in Net Asset Value during 2006, in comparison to the previous year.

These investments in Athens and Thessaloniki have already created 4,500 new jobs.

Noteworthy developments in 2006 include the purchase of six significant plots of land in South-eastern European countries (Bulgaria, Romania and Serbia) for the development of new residential and commercial investments, reinforcing the company's strategic presence in these countries.

Other key milestones for 2006 included: the profitable sale of the shipyards unit, LAMDA Shipyards, the signing of the pre-sale agreement of the office building, Ilida Business Centre, in Maroussi, and the completion of the port and land development project at Flisvos Marina, which will consequently improve its financial results from 2007 and thereafter.

Another key point was the 0.5% reduction in the loan interest average spread, resulting in a total pre-tax annual gain of €1.5 million. It should be noted that 93% of the company's loans are hedged against interest rate fluctuations.

The positive consequences of the company's progress have been reflected in the 2006 financial results. LAMDA Development's consolidated turnover increased by 77% in 2006, net income by 17% and Net Asset Value (NAV) by 34%, compared to 2005, and reached €405 million.

During 2006, a series of presentations were conducted to institutional investors and, as a result, 20% of the company's shares today are held by international investors, while 11% are held by Greek institutional investors. The free float reached 37.6% and the average daily share trading increased substantially.

The proposed 2006 share dividend at the company's Annual General Meeting is €0.23 per share, while the total dividend payment amounts to €10,121,822.06.

Based on the average share price during 2006 – namely €7.74 – dividend yield reached 3%.

In 2006, LAMDA Development's success track record was recognized in the Euromoney Real Estate Survey 2006, organised by *Euromoney* magazine, as the company was presented with the "Best Developer" and "Best for Property" awards. The company also gained the title of "Retail Investor of the Year" at the annual Retail Business Awards, for The Mall Athens investment.

### Strategy

The primary financial goal of LAMDA Development is the continuous improvement of its Net Asset Value (NAV), which has increased by 129% over the past two years.

In 2007, a further improvement of the Net Asset Value is expected, based on the following:

- improved profitability of existing investments
- drop of yields in the real estate sector
- development of new investments

At the same time, LAMDA Development management aims to continue and to strengthen its strategic collaborations with international and Greek companies.

### Greece

During 2007, the company's investment strategy in Greece will focus on developments related to commercial and leisure centres (malls, outlets, big boxes) as well as high-quality second home complexes. The conditions that prevail in the above sectors can be summarized as follows:

- With regards to commercial centres, it is important to note that Greece has one of the lowest proportions of square metres per resident. It is estimated that for every 1,000 residents there are approximately 55 m<sup>2</sup> of commercial space, while in Europe the average is 200 m<sup>2</sup> per 1,000 residents. Furthermore, demand will increase further as the Greek market matures and attracts even more international chains pursuing large developments. Finally, the yields are expected to drop and approach the average European levels, which range between 4.5%-5%.
- In the outlets sector – whether they are factory outlets, big box-type outlets or, designer outlets – the potential for the Greek market is considerable as investments to date have been limited.
- The creation of second home complexes presents an important investment opportunity. To date, Greece has not fully capitalized on its natural assets, which, in combination with the country's cultural heritage, offer a competitive edge over other European holiday destinations. Demand originates primarily from northern Europeans who seek seaside developments, the presence of sound property management and standardized financing packages – conditions already found in other markets competing with Greece.

Although significant changes are taking place today toward improving the investment environment, investments in Greece still face considerable problems related to: institutional and tax issues, the creation of a National or Regional Planning that will clarify the use of land and city planning, market transparency, scarcity of appropriate size ownership, and a range of bureaucratic issues related to archaeology and forestry.

### South-eastern Europe

In 2007, LAMDA Development aims to further strengthen its network in Romania, Bulgaria and Serbia, in order to pursue new agreements for the development of residential complexes, office buildings and commercial centres, as well as to pursue business activities in new countries such as Russia, Ukraine, Turkey and Poland.

The large volume of available capital for investments, along with the shortage of available investment opportunities, has led to a drop in yields, resulting in rising real estate prices – a phenomenon that is expected to intensify over the next three years.

The above described situation, combined with rising disposable income and householders' desire to improve their standard of living, along with lower labour and production costs, reduced tax rates, infrastructure development, urbanisation, the development of mortgage lending and a 5.5% GNP increase, compared to a 1.9% rise in western Europe, all create a promising investment environment in these countries.

Until early 2007, LAMDA Development's investments included: office building and logistics building in Bucharest; office building, commercial areas and luxury residential complex in Sofia; residential complex in Serbia. These investments are expected to reach €90 million.

In total, both in Greece and in Southeastern Europe, the company is examining a series of developments with the goal of investing at least €400 million by the end of 2008. In the first quarter of 2007, the company's new investments amounted to €150 million.

The company's current financial status allows us to proceed with an investment project portfolio of €700 million (through 65% leverage). The average return on investment capital is targeted at 30%.

Dear Shareholders,

2006 was a critical year with the success of many commercial investments, high financial performance and a significant reduction in the company's future risk-exposure.

The above could not have been achieved without the great effort and participation of the company's employees, who displayed exceptional performance and efficiency in all areas of the company's business activity.

With a new corporate structure, LAMDA Development today is maximising its dynamism and continuing its successful track record.

On behalf of the company's management and personnel, we thank you warmly for the trust you have shown in us.



Apostolos Tamvakakis  
Chairman and CEO  
LAMDA Development





The positive consequences of the company's progress have been reflected in the 2006 financial results. LAMDA Development consolidated turnover increased by 77% in 2006, net income by 17% and Net Asset Value (NAV) by 34% compared to 2005 and reached € 405 million.

## Financial Results 2006

The growth in group turnover is mainly attributed to the revenues generated by the two Shopping and Leisure Centres The Mall Athens and Mediterranean Cosmos, as well as to the continuing sales of the residential units of the ILIDA complex in Maroussi. It should be noted that 92% of the turnover originates from real estate development, management and investment, compared to 80% in 2005.

Operative income in 2006 increased at a significant level compared to the previous year, taking into consideration that 2005 was the year of completion of the two shopping centers and Ilida office building in Maroussi. As a result, the Net Asset Value (NAV) and the net income before taxes in 2005 increased by €159 million from the completion of the above mentioned projects.

The significant improvement over 2005 of the consolidated results by €14 million and of the Net Asset Value (NAV) by €103.3 million, are due to the successful operation and management of the two shopping and leisure centres The Mall Athens and Mediterranean Cosmos (100% and 98% leased accordingly) and also to the revaluation gains of €82.2 million before deferred tax deduction that resulted from the fair value adjustments by independent international valuers.

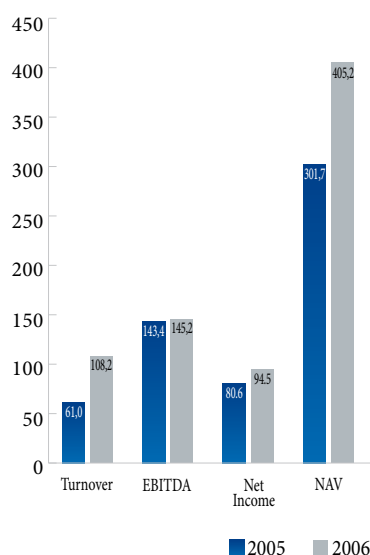
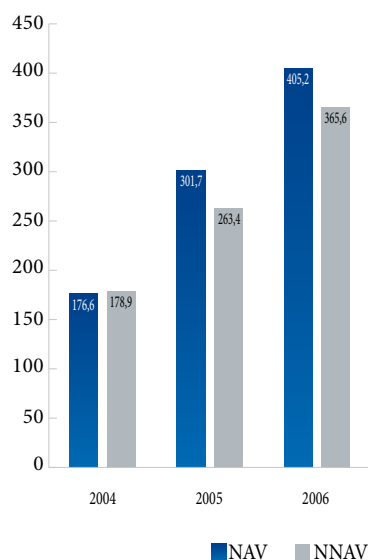
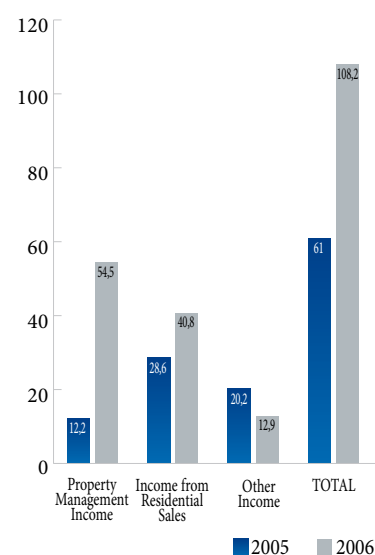
Consolidated Financial Figures (in € million)			
	2006	2005	Change %
Turnover	108,2	61,0	77.4%
EBITDA	145,2	143,4	1.25%
Profit after Taxes and Minority Interests	94,5	80,6	17.3%
NAV	405,2	301,7	34.3%

The agreement with HSBC Property Investments for the transfer of the 50% shares that LAMDA Development held in the shopping center The Mall Athens, has contributed a profit of €33 million on top of the gains that resulted from the appraisal at fair market value of The Mall Athens in the first semester of 2006. It should be noted that the fair market value gains of The Mall Athens resulted both from the successful operation of the shopping center and the improvement in the capitalization rate (yield) compared to the 31/12/2005 valuation. The use of a lower cap rate is based not only on the current market conditions, but also on the sale agreement with HSBC Property Investments.

The results were also positively affected by:

- The €4.9 million price adjustment for the transfer of shares of Eurobank Properties REIC to EFG Eurobank Ergasias S.A. (materialization of the August 2005 contract). This positive difference derived from the higher share price of Eurobank Properties REIC as determined at the Initial Public Offering (I.P.O.) in the Athens Exchange.
- The reduction of corporate income tax had a positive effect on the profits by €18 million and counterbalanced the increase in financial expenses by €12.2 million, which are now expensed and no longer capitalized as in the fiscal year 2005 and before, following the completion and commencement of operation of the group's real estate developments.
- The transfer of LAMDA Development's shareholding in LAMDA Shipyards S.A., a 75% participation, for a total price of €10.9 million. The subsidiary company had previously proceeded with the transfer of the total share capital of its subsidiary Argonaftis A.N.E. for a price of €5.2 million. The total effect of the above transaction in 2006 results is €2.7 million compared to net operating losses of €2.9 million in 2005.
- The reduction of loan interest average spreads by 0.5%, resulting in a total gain before taxes of €1.5 million.
- The completion of Flisvos Marina's harbor and land development in 2006 set the basis for improved financial results from 2007 and thereafter. LAMDA TechnOL Flisvos Marina S.A. posted a loss of €1.9 million in 2006 compared to €5.5 million losses in 2005. The improvement of the financial results is due to the turnover increase from €5.1 million to €6.1 million in 2006, and also due to the fact that the 2005 financial results were negatively affected by the total rental readjustment that concerned fiscal year 2004. It should also be noted, that the results are further burdened by expensing the total rental amount unduly requested by the Company of Tourism Development (E.T.A.), as the company applies the principle of conservatism in presenting company accounts; in actual fact, the rental levels for fiscal years 2004, 2005 and 2006 are to be determined by the judiciary arbitration process currently in progress.

The Group's key financial figures are shown in the following charts:

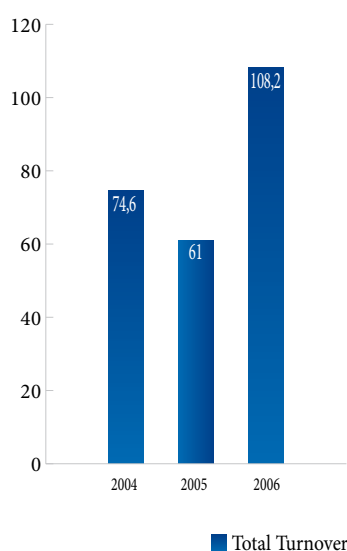
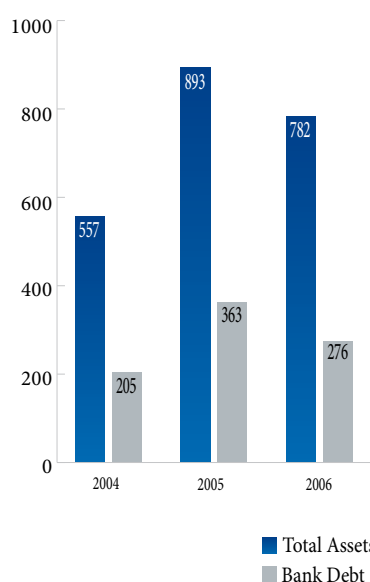
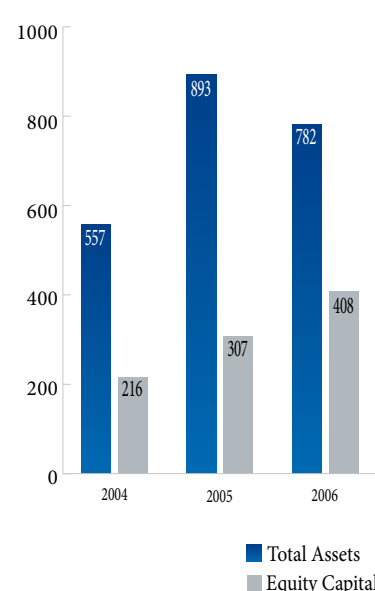
**Financial Data**  
(in million €)

**Net Asset Value**  
(in million €)

**Turnover per Sector**  
(in million €)


Financial Data (in million €)		
	2005	2006
Turnover	61,0	108,2
EBITDA	143,4	145,2
Net Income	80,6	94,5
NAV	301,7	405,2

Net Asset Value (in million €)			
	2004	2005	2006
NAV	176,6	301,7	405,2
NNAV	178,9	263,4	365,6

NNAV equals NAV minus deferred tax

Turnover per Sector (in million €)		
	2005	2006
Property Management Income	12,2	54,5
Income for Residential Sales	28,6	40,8
Other Income	20,2	12,9
TOTAL	61,0	108,2

**Total Turnover**  
(in million €)

**Total Assets and Bank Debt**  
(in million €)

**Total Assets and Equity Capital**  
(in million €)


Total Turnover (in million €)			
	2004	2005	2006
Total Turnover	74,6	61	108,2

Total Assets and Bank Debt (in million €)				
	2004	2005	2006	
Total Assets	557	893	782	
Bank Debt	205	363	276	

Total Assets and Equity Capital (in million €)				
	2004	2005	2006	
Total Assets	557	893	782	
Equity Capital	216	307	408	

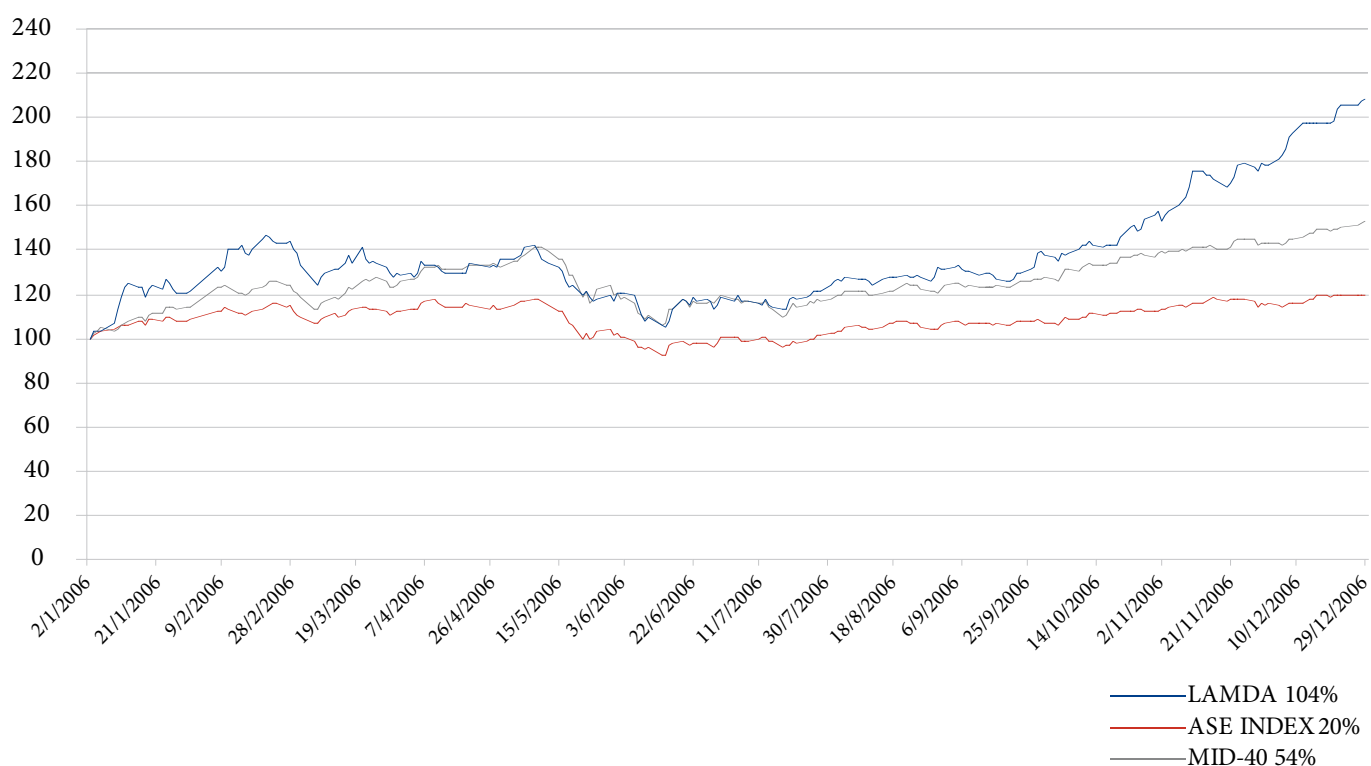
The ratio of total equity to total assets reached 52.2%

## Share Performance

2006 was yet another year of significant returns for LAMDA Development shareholders. The shares recorded a total annual return of 104%, outperforming both the Athens Exchange General Index (20% return) and the FTSE/ASE MID-40 Index (54% return). This performance continues from 2005, when shares posted a return of 82% to the shareholders.

The systematic roadshows and presentations to large foreign and domestic institutional investors that commenced in 2006 increased the stock tradability, as displayed by the steep rise of the average daily volume for the second consecutive year.

As a result, in 2006, free float was significantly increased and reached the level of 37.6%, with significant representation from foreign institutional investors. The share's participation in the relevant Athens Exchange Indexes and in the European EPRA/NAREIT Index, which is comprised of 103 renowned real estate companies from 15 European countries, further supports the share's tradability and recognition.



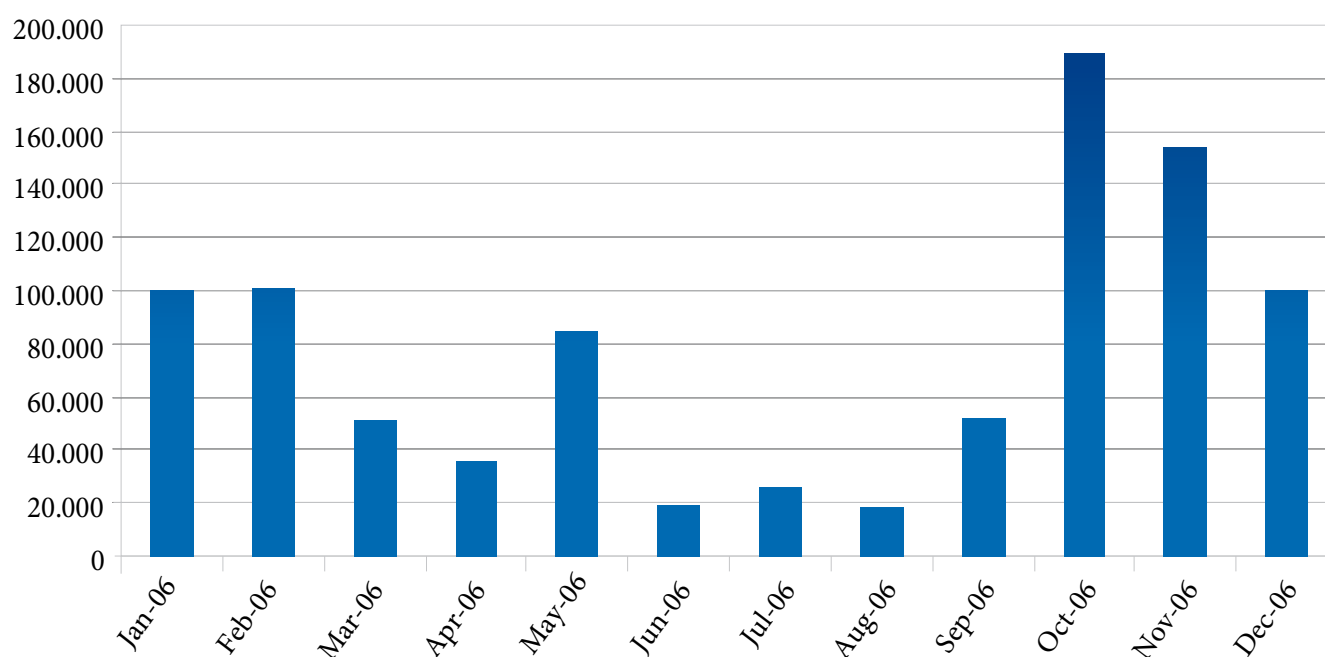
Share Price Performance		
	2005	2006
Closing Price at Year End	€ 5,76	€ 11,76
Annual Average Price	€ 4,11	€ 7,74
Annual Max Price	€ 5,98	€ 11,76
Annual Min Price	€ 2,60	€ 5,64
Daily Average Number of Shares Traded	43.458	78.612

Per Share Financial Data		
	2005	2006
Total Number of Shares Outstanding at Year end	43.785.850	44.029.950
Weighted Average Number of Shares	43.750.344	44.024.665
Per Share Financial Data	—	—
Profit After Taxes and Minority Interests	€ 1,84	€ 2,10
Book Value	€ 6,02	€ 8,30
Net Asset Value (NAV)	€ 6,89	€ 9,20

Participating in the Following Indexes	
FTSE ASE MID-40	
ASE GENERAL INDEX	
EPRA/NAREIT EUROPE INDEX	
EPSI 50	
REUTERS QUOTE	LMDr.AT
BLOOMBERG QUOTE	LAMDA GA

Annual Change			
	31/12/2005	31/12/2006	Change%
LAMDA DEVELOPMENT	€ 5,76	€ 11,76	104%
ASE XA	3.663,90	4.394,13	20%
ASE MID 40	3.397,00	5.245,31	54%
EPRA/NAREIT EUROPE	2.581,00	3.855,06	49%

### Average Daily Volume per Month



Overview Of FY 2006 IFRS Financials - Income Statement		
	2005	2006
Revenue	61,0	108,2
Earnings Before Interest & Taxes (I)	140,4	138,0
Profit Before Income Tax	138,6	122,4
Taxes	47,7	29,7
Profit After Tax & Minority Interest	80,6	94,5

(I) Includes net gain on fair value adjustment on investment property

Overview of FY 2006 IFRS Financials - Balance Sheet			
	2005	2006	Change%
Investment Property	602,7	439,0	-27%
Property, Plant and Equipment	49,1	48,3	-2%
Inventories	80,9	58,4	-28%
Cash and Cash Equivalents	36,8	79,9	117%
Group Equity	306,8	408,2	33%
Short Term Borrowings	237,0	22,9	-90%
Long Term Borrowings	125,7	252,9	101%



LAMDA Development's investment portfolio includes commercial and leisure centres, office buildings, residential complexes as well as Flisvos Marina.

# Investment Portfolio



# Investment Portfolio



The Mall Athens, Greece's largest commercial and leisure centre, which began operations in November 2005, represents a milestone for Greek commercial reality, offering more than 200 commercial and leisure options in 58,000 m<sup>2</sup> of Gross Leasable Area (GLA).

# The Mall Athens



The main characteristic of The Mall Athens is the combination of a large number of shops, multiple dining and leisure areas offering a wide array of activities for the entire family, easy and well-protected parking areas, full-scale management services as well as direct and easy access to major highway routes and public transport. More specifically, The Mall Athens is built on 5 levels with 3 levels of underground parking space. It comprises 200 stores, including the most significant Greek and international brands, 25 restaurants and cafes, a state-of-the-art 15-screen cinema complex, a multitude of support services and 2,065 parking spaces.

ECE-LAMDA Hellas S.A., a company specializing in the provision of property management services for commercial and leisure centres with extensive international experience, ensures smooth and effective daily operations of the centre. The investment value of the commercial and leisure centre reached €320 million, positioning it as one of the largest private real estate investments ever developed in Greece.

During its first successful year of operation, The Mall Athens attracted approximately 13 million visitors and gross sales exceeded €300 million. Rental and parking income reached €29 million. The centre is 100% leased and it has created approximately 2,500 new jobs.

In November 2006, LAMDA Development transferred 50% of its shares in LAMDA Olympia Village (the developer for The Mall Athens) to HSBC Property Investments Ltd.

With respect to The Mall Athens legal issues, please refer to the company's Annual Bulletin 2006, which can also be found on the company's website at [www.lamda-development.net](http://www.lamda-development.net).



In October 2006, LAMDA Development was presented with the “Retail Investment of the Year” award by *Retail Business* magazine for the company’s investment in The Mall Athens. According to the Retail Business 2006 Awards, the centre was the most successful investment of the year, reaching an investment value of €350 million. The Mall Athens drastically changed Greece’s commercial landscape and paved the way for foreign and Greek investors to invest in projects of similar magnitude.







Mediterranean Cosmos, the largest commercial and leisure centre in northern Greece, began operations in Thessaloniki in October 2005. The centre's most important advantages are a large number of shops (approximately 210), wide range of activities for all family members, dining & leisure areas, as well as full-scale property management services, all offer the centre important advantages.

## Mediterranean Cosmos



Mediterranean Cosmos stands on a 250,000 m<sup>2</sup> site owned by the Ecumenical Patriarchate and has been developed on two main levels, which are served by a network of interior pedestrian pathways, offering approximately 3,000 parking spaces.

210 retail units cover approximately 46,000 m<sup>2</sup> of Gross Leasable Area (GLA), which include 37 restaurants and cafes, an 11-screen cinema complex and a supermarket, gathering the most important international and Greek retail brands in one location and offering a broad range of support services. The centre provides easy access from the city centre and surrounding areas, and is just five minutes from the “Macedonia” international airport, major highways and junction points.

An investment valued at approximately €120 million, Mediterranean Cosmos was developed in collaboration with an international leader in similar developments, Sonae Sierra. The centre is managed by the company MC Property Management.

During its first successful year of operation, Mediterranean Cosmos was visited by approximately 7.5 million people and gross sales reached €140 million. Rental income amounted to €14 million. The centre has 98% tenant occupancy and has created approximately 2,000 new jobs.



Mediterranean Cosmos includes 210 retail units covering approximately 46,000 m<sup>2</sup> of Gross Leasable Area (GLA), which includes 37 restaurants and cafes, an 11-screen cinema complex and a supermarket, gathering the most important international and Greek retail brands in one location and offering a broad range of support services.







## Investment Portfolio

### Ilida Business Centre



The Ilida Business Centre is a luxury 13,000 m<sup>2</sup> office building comprising six levels. The building has been developed on a 10,000 m<sup>2</sup> plot of land in Maroussi, adjacent to the Olympic Stadium and situated on Kifissias Avenue, offering excellent access to main highway routes and public transport.

In December 2006, a pre-sale agreement was signed. The transaction will be finalised with the completion of the building's construction work, which is expected to take place during the first half of 2007. The price of the transaction reaches €41.4 million.



### Cecil Office Building

The historic former Cecil Hotel in Kifissia, owned by LAMDA Prime Properties, was converted in 2002 to a luxurious and highly-functional office complex offering 6,000 m<sup>2</sup> of leasable space. Today, the building is housed with well-known and high prestige companies including, indicatively, I.M, Mailis, Alpha Trust and Trade Link. Rental income reaches €1.9 million, while tenant occupancy is at 95%.



### Kronos Business Centre

The Kronos Business Centre in Maroussi is an ultra-modern building offering 4,000 m<sup>2</sup> of office and commercial space, large floor plates and comfortable offices. The office space has been leased fully by two multi-national companies, Procter & Gamble and Hyatt Regency. Rental income amounts to €0.8 million.

### Othonos Street Offices

LAMDA Development owns approximately 800 m<sup>2</sup> of floor space and 1,055 m<sup>2</sup> of underground parking space in the building at 8, Othonos Street, as well as approximately 1,000 m<sup>2</sup> of floor space in the building at 10, Othonos Street. Rental income amounts to €0.9 million.

# Investment Portfolio



The innovative residential complex ILIDA in Maroussi comprises 241 apartments and is developed on three blocks covering approximately 60,000 m<sup>2</sup>.

## ILIDA Residential Complex



The complex includes underground parking and storage areas to serve residents, as well as gardens for each owner and natural green areas for common use. ILIDA includes five pedestrian neighbourhoods, each comprising four to five three-story high quality buildings. The 20-25% building density ratio, compared to the usual 50-70%, guarantees a genuinely “mild development”.

ILIDA represents a main junction-point that offers direct access to many important main roads and public transportation points. By May 2007, 80% of the residences had been sold.



## Avra Luxury Residential Complex



Avra is a modern and luxury residential complex in Kefalari, in the suburb of Kifissia. Located on a 10,000 m<sup>2</sup> site, the complex includes 21 high-calibre residences, leisure and athletic facilities, as well as private and common-use gardens. The sale of all apartments was completed in 2006.



## LAMDA Hellix



LAMDA Hellix, a LAMDA Development subsidiary in the “Wired Real Estate” sector is certified under ISO9001:2000 Neutral Mission Critical Facility operator in Greece and South-eastern Europe for the hosting of Information Technology and Telecommunications Equipment. The company develops and operates specialized Mission Critical Facilities and provides outsourcing services including data centre, disaster recovery, point of presence, switching centre to large private and public organizations as well as service providers.

LAMDA Hellix enables organizations with mission critical applications, whether IT or Telecommunications, to increase the security and the availability of their systems, reduce all associated risks and operating costs while maintaining their autonomy and independence. The company’s clientele includes large businesses stemming from the banking, financial and telecommunications industries as well corporations and public organizations.



LAMDA TechnOL Flisvos Marina has been awarded the 40-year concession for the management and upgrading of Flisvos Marina in Faliro, with the aim of transforming it into a premier marina in the South-eastern Mediterranean. The investment programme to upgrade Flisvos Marina's land and marine infrastructure and facilities represents €45 million.

## Flisvos Marina



The outstanding port facilities in combination with moderate development and, a unique architectural style, have contributed to the creation of a world-class marina that is expected to attract upscale tourism.

More specifically, regarding the marine infrastructure, protective installations were reinforced and new piers and floating docks have expanded the marina's capacity from 180 berths to about 250, more than 50% of which can accommodate yachts and mega yachts exceeding 30 metres in length.

For the land infrastructure, an area of 56,000 m<sup>2</sup> was upgraded, including 3,000 m<sup>2</sup> where – following the completion of the commercialization procedure – yacht owners and visitors will enjoy a diverse array of shopping, leisure and sporting activities in a richly landscaped area.

Regarding Flisvos Marina legal issues, please refer to the Annual Bulletin 2006, which can also be found on the company's website at [www.lamda-development.net](http://www.lamda-development.net).

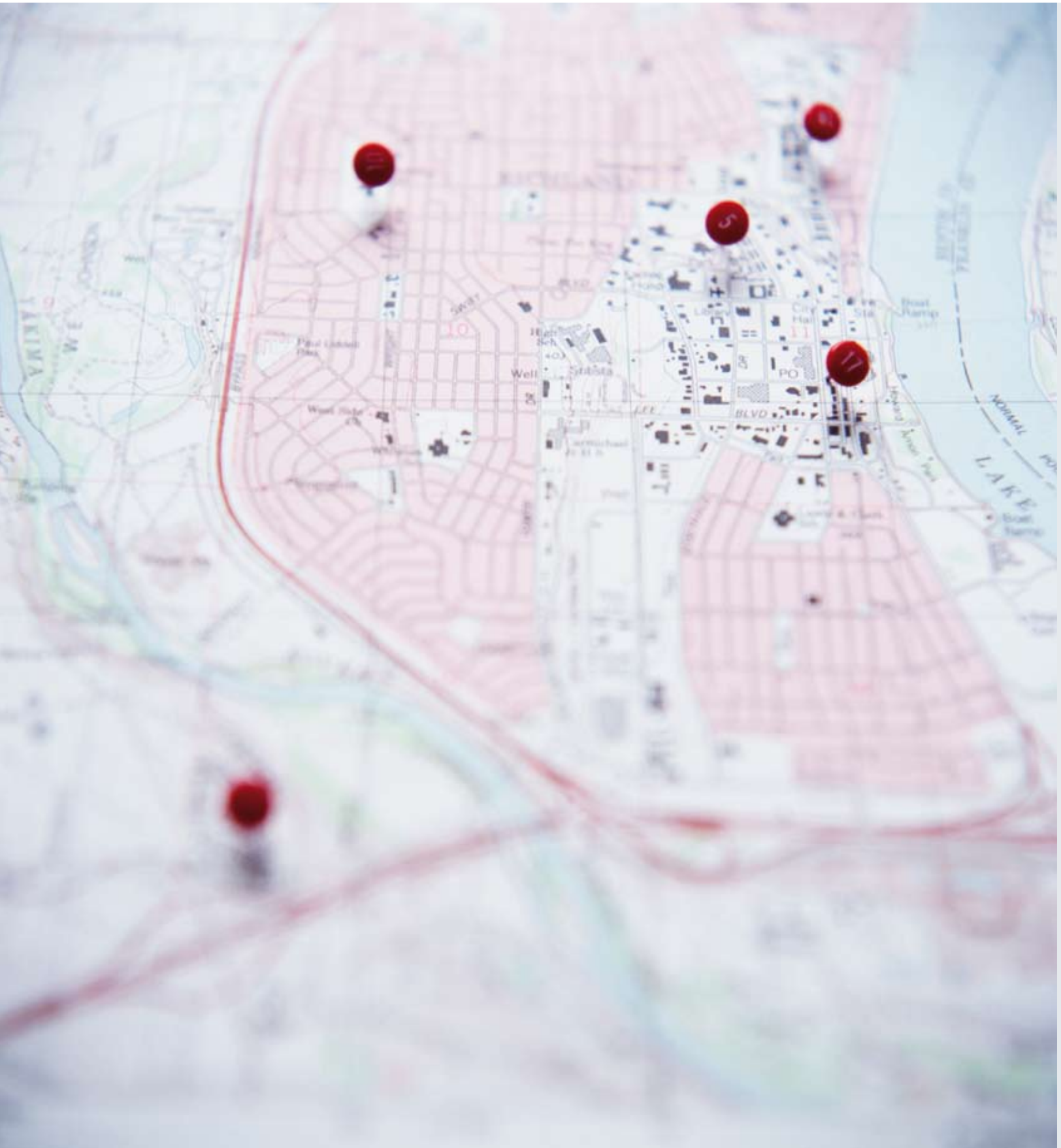








Just 6 km from the centre of Athens, Flisvos Marina is Greece's first world-class marina, addressing the needs of upscale clients with mega yachts (yachts over 30 metres in length). During the Olympic Games in 2004, Flisvos Marina successfully hosted VIP guests and today, it attracts upscale tourism from around the world.



LAMDA Development's portfolio under development includes the former International Broadcasting Centre in Greece, which will be transformed into a commercial centre, whilst in South-eastern Europe it includes commercial developments and office buildings, logistics buildings and residential developments in Romania, Bulgaria and Serbia.

## Portfolio under Development

# Portfolio under Development



The former International Broadcasting Centre (IBC) will be transformed into a new upscale commercial centre with unique aesthetic and architectural style, where visitors will be able to choose from 160 luxury stores with international and Greek brands, restaurants and cafes.

## New Commercial Centre (former IBC)

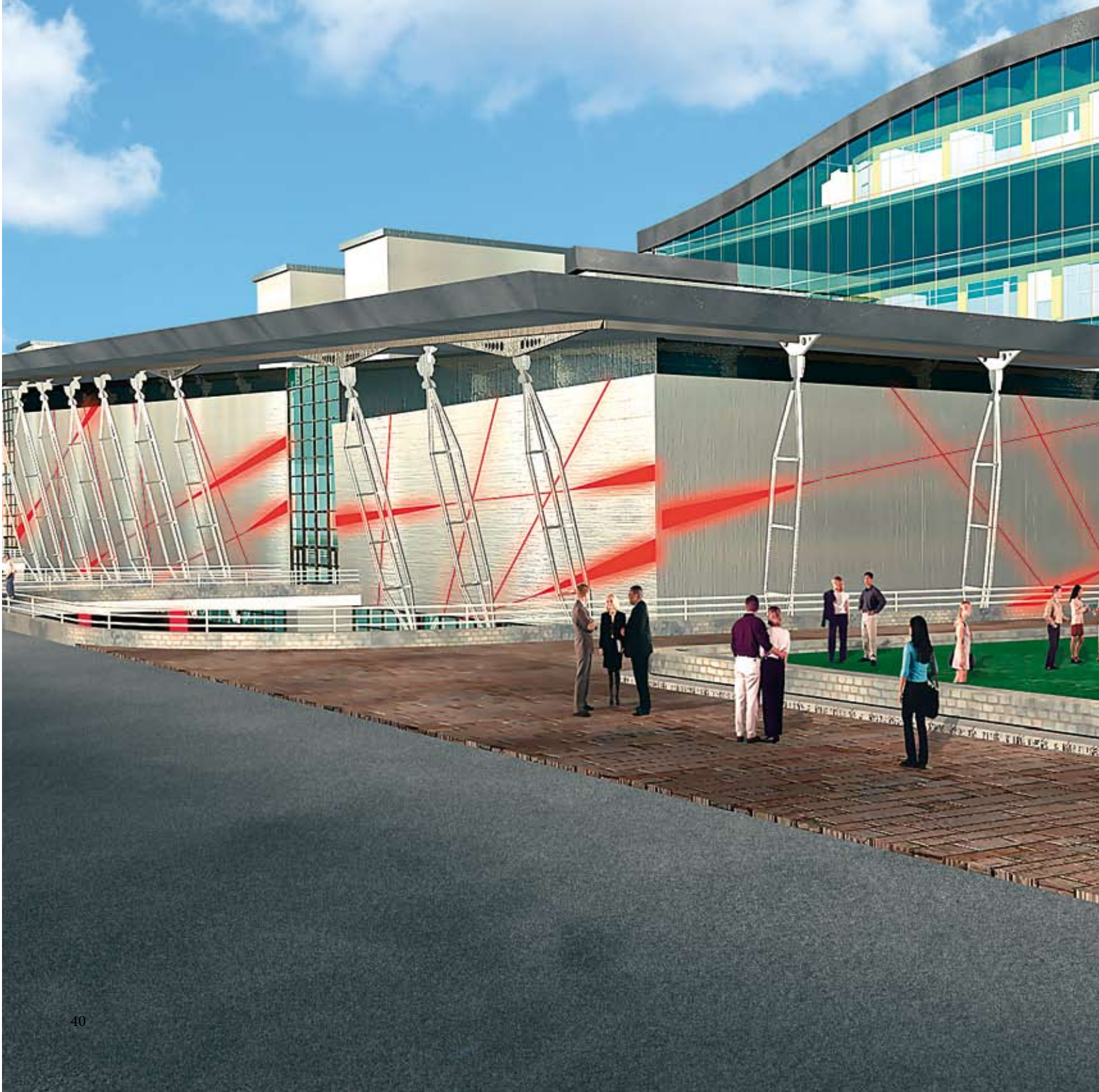
The commercial centre will be developed on three levels and will offer approximately 40,000 m<sup>2</sup> of Gross Leasable Area (GLA). It will also offer underground parking space for approx 1,400 cars on two levels, whilst approximately 4,500 m<sup>2</sup> of office space will also be developed. In the rest of the building, the Ministry of Culture will create the Greek Olympic Games Museum and the International Museum of Classical Athletics, thus creating an integrated cultural, commercial and leisure complex.

The investment cost will reach €60 million, of which €40 million are direct costs and €20 million are the capitalized costs of the construction period. The centre is expected to begin operations in the autumn of 2008.

The project will create approximately 2,000 new jobs and will benefit the local community through local taxes. With the operation of the centre, visitors will be able to choose from yet another high-standard option that addresses their needs for goods and services.

With respect to IBC legal issues, please refer to the Annual Bulletin 2006, which can also be found on the company's website at [www.lamda-development.net](http://www.lamda-development.net).

In 2004, the International Broadcasting Centre was the heart of TV and radio broadcasts of the Athens Olympic Games. Today, it is being transformed into an upscale shopping centre which is expected to start operating in the autumn of 2008.



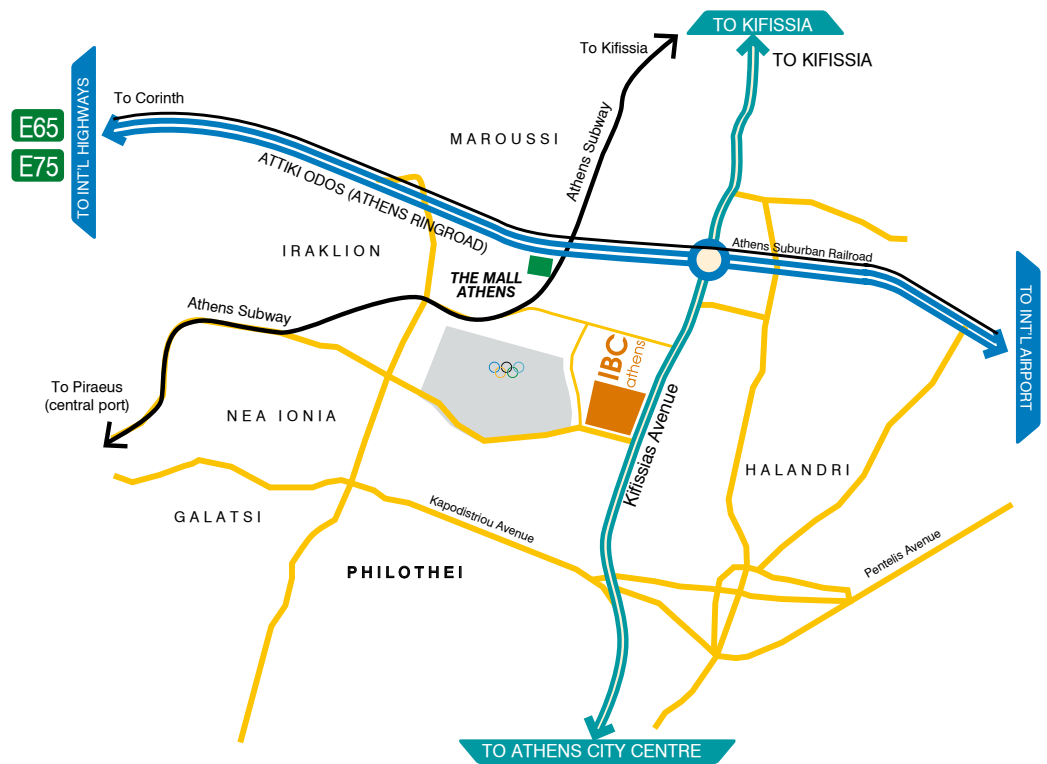






The centre is located in Maroussi and is strategically situated on Kifissias Avenue. Its catchment area covers 2.1 million people in an area less than 30 minutes away by car.

The centre is located a short distance from the Attiki Odos highway, ensuring direct and fast access in every direction.



## Building Complex and Exhibition Area, Kato Kifissia

The company is part of a joint venture (LAMDA – Redding – 50% participation by LAMDA Development), which is building an office and studio complex for Star Channel in Kato Kifissia, as well as a car exhibition area for Genesis S.A.

## Kato Kifissia Site

Through its 50% subsidiary company, LAMDA AKINITA, the company owns a plot of land covering about 8,500 m<sup>2</sup> in the VIOPA area of Kato Kifissia. The company is evaluating its development through construction of an office building offering more than 10,000 m<sup>2</sup> of surface area with underground areas of approximately 6,500 m<sup>2</sup>.

## Spata Site

LAMDA Development, through its 100% subsidiary company, LAMDA Estate Development, owns a 88,000 m<sup>2</sup> plot of land within Spata Business Park, on Pikermi Avenue. The site, following the already completed urban planning, has been divided into two plots, where developments covering more than 50,000 m<sup>2</sup> can be built. The permitted land uses allow for hotel, retail, office, food, leisure and athletic facilities. The company is evaluating alternative options for the development of the land within the above framework.

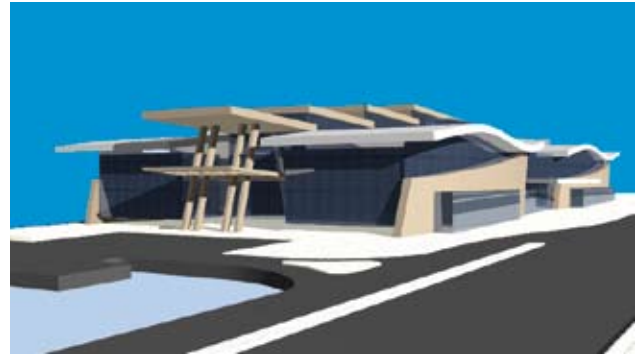
## Kifissia Site

LAMDA Prime Properties owns a 4,000 m<sup>2</sup> plot of land in Kifissia, with exclusive residential use. The company is examining the best possible ways to develop this land.

## Bulgaria

### Commercial Development – Office Building

The company GLS OOD (50% participation by LAMDA Development, GEK) owns a 13,500 m<sup>2</sup> plot of land in Sofia, and more specifically, on the city's ring-road, where 19,000 m<sup>2</sup> of commercial and office space is being developed. The investment cost is expected to exceed €15 million. The investment will be completed at the end of 2008 and the construction permit has already been issued.



### Residential Development

LAMDA Development Sofia EOOD owns a 11,000 m<sup>2</sup> plot of land in a suburb of Sofia, where many upscale residential developments have been developed recently. On this site, the company will build upscale residences covering 8,000 m<sup>2</sup>. The total investment cost will reach €10 million. The project is currently in the architectural planning stage and is expected to be completed in 2009.



### Office Building

The company TIHI Ltd owns a 6,300 m<sup>2</sup> plot of land in Sofia, with access to the city's two main highway routes and 1.5 km from the city centre. On this site, an office building will be constructed with commercial areas on the ground floor, covering a total of approximately 30,000 m<sup>2</sup>. The cost of the transaction reaches €13 million, whilst the total investment value is expected to exceed €30 million. The project is expected to be completed in 2009.



## Romania

### Office Building

The company LAMDA Med (40% participation by LAMDA Development) is developing a luxury office building, covering a total of 6,700 m<sup>2</sup> on eight levels. The 10,050 m<sup>2</sup> site is situated in a high profile location, on the main highway that links the centre of Bucharest with the airport. The building will offer all the modern technical specifications as well as parking space on two underground levels totalling 2,000 m<sup>2</sup>. The total cost of the project will reach €5.2 million. The building is currently under construction and is expected to be completed by early 2008.

### Logistics Building

The site is under development by Robies Services Ltd (a 90% subsidiary of LAMDA Development) and is located at the 23<sup>rd</sup> kilometre of the main road linking Bucharest and Pitesti. This area is undergoing rapid development and is emerging as a hub for the largest logistics developments, exceeding – in the initial stage – 400,000 m<sup>2</sup> of leasable space. On this site, 47,500 m<sup>2</sup> of logistics space will be constructed. The total cost of the project is expected to amount to €23 million, while completion is scheduled in 2009.



## Serbia

### Residential Development

LAMDA Development DOO Beograd owns a 3,000 m<sup>2</sup> plot of land in the Vracar area of Belgrade, an upgraded residential development area. On that site, the company will build an 11,000 m<sup>2</sup> residential development at an investment cost of €15 million. The project is scheduled for completion in mid-2009.





LAMDA Development adheres to the principles of corporate governance, which are not only essential for monitoring management decision and actions, but also for protecting the vested interests of shareholders.

# Corporate Governance

LAMDA Development has applied corporate governance principles and processes since its inception, long before these were introduced to Greece, under law 3016, based on internationally recognised criteria and regulatory framework such as those applied by listed companies on international stock exchanges.

### **Board of Directors**

The Board of Directors is responsible for the company's management and strategic direction. The majority of the Board is composed of independent and non-executive members.

Specifically, of the Board's eight members, six are non-executive, two of which are fully independent.

### **Internal Audit Committee**

The Internal Audit Committee was formed upon the company's establishment and prior to the undertaking of any investment.

The Committee is composed of three members, Mr. Emmanuel Leonard Bussetil, Mr. Petros Kalatzis and Mr. Spyridon Theodoropoulos, one of which is a non-executive and independent Member of the Board of Directors.

### **Human Resources Committee**

During 2004, it was decided to form the Human Resource Committee, composed of three Members of the Board of Directors, Mr. Apostolos Tamvakakis, Mr. Fotios Antonatos and Mr. Dimitris Papalexopoulos. The Committee is responsible for overseeing the management of the company's Human Resources Department.

### Internal Audit Service

Internal Audit at LAMDA Development is an independent and objective assurance and consulting activity, which adds value and improves the company's operations. It helps the organisation accomplish its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, audit mechanisms and the governance process.

In accordance with the principle of independence, the Internal Audit Service reports to the Internal Audit Committee. Responsibility for the internal audit function has been assumed by the Internal Audit Department (Maria Papakonstantinou) and is supported selectively by external specialist consultants, when deemed necessary.

The support of external consultants ensures the existence of the necessary technical expertise in the specialised fields in which the company is active. The internal audit strategy ensures that all major LAMDA Development companies are audited at least once a year, whilst specific investments are selectively audited based on performances that could significantly impact the company's results.

### Shareholder Services, Corporate Communications, Investor Relations

The department provides shareholders with accurate information, as well as other shareholder services as stipulated by the law and the company's Articles of Association. The department is headed by Alexandros Kokkidis.

The department is responsible for all levels of investor relations activities and ensures that institutional investors, securities companies, brokers and the media receive all necessary information in a timely manner. Furthermore, the department is responsible for communication with the relevant authorities (Athens Exchange and Hellenic Capital Markets Committee).

The department is structured to provide the following services:

- Shareholder services
- Institutional investor and professional investment advisor relations
- Corporate communications
- Media relations and communication with authorities, regulatory bodies and other key audiences.

Within the framework of its activities, LAMDA Development also participates in "investment briefings" organised by reputable financial institutions.



## The LAMDA Development Board of Directors

### **Apostolos Tamvakakis**

#### **Chairman and Chief Executive Officer**

Mr. Tamvakakis holds a Bachelor of Arts in Economics from Athens University and a Master of Arts in Economics from the University of Saskatchewan (Canada) where he majored in Econometrics. He has worked with Mobil Oil Hellas S.A., Investment Bank, ABN AMRO Bank as Deputy General Manager for Greece and with the National Mortgage Bank and National Bank of Greece as Vice Chairman. He is member of the Board of Directors of Vivartia S.A., the Foundation for Economic and Industrial Research and TITAN CEMENT CO.

### **Evangelos Chronis**

#### **Vice-Chairman**

Mr. Chronis studied shipping in London and worked closely with John S. Latsis for 25 years. Today, he serves as Chairman and Member of the BoD for a number of the Latsis Group companies, as well as for philanthropic institutions.

### **George Papageorgiou**

#### **Member**

Mr. Papageorgiou graduated as a civil engineer from the National Technical University. He has held senior management positions at AEGEK S.A. (Anonymous Company of General Constructions and Maritime, Tourist, Agricultural and Forestry Enterprises) and the construction company AVAX S.A., where he also served as a Member of the Board of Directors for 15 years. Furthermore, he has held the position of Managing Director for the hotel complex "Astir Palace Vouliagmeni S.A.", Managing Director of the construction company PROET S.A. (an associate company of J&P AVAX S.A.), as well as Vice President of the Board of Directors of J & P Development S.A. Since October 2004, he is General Manager of LAMDA Development S.A.

### **Fotios Antonatos**

#### **Member**

Mr. Antonatos is based in Geneva and maintains a position on the General Council of the Latsis Group. He is a Member of the Board of Directors of various subsidiaries of the EFG banking group in Switzerland and, in addition, has been a member of the management team of many Latsis Group companies for more than 21 years.

### **Emmanuel Leonard Bussetil**

#### **Member**

Mr. Bussetil is the Financial Director of the Latsis Group and a Member of the Board of Directors of various subsidiaries of the EFG banking group, as well as a Member of the Board of Directors of PrivatAir Holding S.A. He is also a Member of the Institute of Chartered Accountants of England and Wales (ICAEW). Before his appointment as head of the Latsis Group's Internal Audit Department, Mr. Bussetil worked for Pricewaterhouse. His collaboration with the Latsis Group began 22 years ago.



**Petros Kalantzis****Member**

Dr. Petros Kalantzis studied Economics at the University of Zurich and Basel and gained a post-graduate and doctorate degree in macro-economics. He was a researcher and assistant professor in economic theory at the University of Basel. In 1972, he became a member of Lonza Ltd. (Basel). In 1991, he served as Vice-President of the Alusuisse-Lonza Group (Zurich). Since 2001, he has worked as an independent consultant and is a Member of the Board of Directors of several companies in Europe and in the US. He has served as Chairman of Petrola and as Chairman of the Board of Directors of the Swiss Chemical and Pharmaceutical Industry Association between the years 2001-2002.

**Dimitris Papalexopoulos****Member**

Dimitris Papalexopoulos, aged 44, has been with TITAN since 1991 and in his present position, as Managing Director, since 1996. Prior to joining TITAN, he spent two years as a consultant for McKinsey & Company in New York and Munich. He holds an MSc in Electrical Engineering from the Swiss Federal Institute of Technology and an MBA from Harvard Business School. Mr. Papalexopoulos sits on the Board of the Hellenic Harvard Foundation, the Federation of Greek Industries, the Foundation for Economic and Industrial Research and the Athens Laboratory of Business Administration (ALBA). He is married and has three children.

**Spyridon Theodoropoulos****Member**

Mr. Theodoropoulos is the CEO of Vivartia S.A., a company which occurred after the merger of 5 companies of the food sector: DELTA HOLDING S.A., DELTA DAIRY S.A., CHIPITA INTERNATIONAL S.A., GOODY'S S.A. and GENERAL FOODS S.A. He has served as Sales Manager at Recor S.A. and General Manager at ALIGEL. In 1986 he becomes Chief Executive Officer at INTERIA, while at the same year he acquired 50% of CHIPITA's shares and assumed the position of Chief Executive Officer at the company. In 1989, he acquired the remaining CHIPITA shares. Today he is member of the BoD of TITAN Cement CO. He has also been President of the Administration Committee of the Association of the Listed Companies on the ASE, Vice President of the BoD of the Federation of Greek Industries and Vice President of Helex. He is a graduate of the School of Economics and Commercial Studies (ASOEE) and speaks English and Italian fluently.

### Employee Benefits

LAMDA Development is implementing a broad range of benefit programmes, including a specialised health insurance plan, a pension plan, a retirement compensation and bonus plan, as well as a stock option plan for senior executives.

### Training

During 2006, LAMDA Development conducted a series of training and education programmes covering the professional needs of its employees, enhancing their continuous professional development with the goal of ensuring effective response to market demands.

### Environmentally Aware Activities

An essential prerequisite for the implementation of an investment is not only the company's adherence to existing standards, but also the creation of new benchmarks relating to the environment and quality of life. LAMDA Development's investments are developed with construction methods and materials that ensure maximum energy conservation.

Buildings are developed after a bioclimatic study has been conducted to determine the optimum use of natural energy resources. Listed buildings are restored, maintaining their original architectural character and thus renewing their "life span".

LAMDA Development strives to provide natural sound insulation, while upgrading the surrounding natural environment of its investments.

### Contributing to Local Community Development

The fundamental objective of LAMDA Development is for its investments to create conditions conducive for development and prosperity not only for its clients, but also for the local communities in which it operates. LAMDA Development always aims, to the greatest possible extent, to hire personnel from local communities throughout the implementation of its investments, such as in the development of Mediterranean Cosmos in Thessaloniki. The company also strives to create a network of local suppliers that contributes to the overall economic development of the area.





# Financial Statements 2006

(in accordance with International Financial Reporting Standards – IFRS)

**LAMDA Development S.A.**

**LAMDA Olympia Village S.A.**

**LAMDA Prime Properties S.A.**

**PYLAIA S.A**



# LAMD A DEVELOPMENT S.A.

## HOLDING AND REAL ESTATE DEVELOPMENT COMPANY S.A.

S.A. REG. No 3039/06/B/86/28

### SUMMARY FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2006

**Published according to article 135 of Law 2190, for companies preparing annual financial statements, consolidated or not, in accordance with the IFRS**

Information listed below is aiming to provide general awareness about the financial position and the financial results of LAMD A DEVELOPMENT S.A. Users requiring non-summarised information of the company's financial position and results, must refer to the annual financial statements prepared under International Financial Reporting Standards (IFRS), as well as the certified auditors' opinion. Indicatively, users may visit the company's website ([www.lamda-development.net](http://www.lamda-development.net)), where the aforementioned information is published.

#### COMPANY'S DATA:

Registered office: Laodikeias 16 & Nimitiafou, 11528, Athens  
 3039/06/B/86/28  
 Ministry of Developments, Department of Anonymes Companies  
 Regulatory authorities: 6 March 2007  
 Date of approval of the annual financial statements: Michailatos Konstantinos (SOEL Reg. No. 17701)  
 from which summary data were compiled: PricewaterhouseCoopers S.A.  
 Certified auditor accountant: No qualification - With emphasis issue  
 Audit firm: www.lamda-development.net  
 Auditor's opinion:  
 Company's website:

#### Board of Directors

Chairman of the Board and Managing Director: Apostolos S. Tsimakakis  
 Vice president: Evaggelos I. Chronis  
 Members: Emmanouel Leonard Bussetil  
 Petros P. Kalantzis  
 Dimitrios Th. Papalexopoulos  
 Fotis S. Antonatos  
 Spiridon I. Theodoropoulos

#### BALANCE SHEET (Amounts in €)

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property	439,017,856	602,702,993	5,540,441	5,495,441
Property, plant and equipment	48,334,727	49,133,840	982,819	1,505,602
Intangible assets	4,868,297	5,008,223	-	-
Investments in associates	957,386	34,770,662	131,440,237	254,645,469
Available-for-sale financial assets	42,427,796	-	42,427,796	-
Derivative financial instruments	31,150	-	-	-
Deferred income tax assets	20,574	328,861	-	139,715
Other receivables	75,377,186	3,060,183	49,730,705	2,338,084
	<b>611,034,973</b>	<b>695,004,763</b>	<b>230,121,999</b>	<b>264,124,311</b>
<b>Current assets</b>				
Inventories	58,394,743	80,939,513	-	-
Trade and other receivables	30,452,747	77,112,115	14,414,017	7,039,934
Current income tax assets	2,506,107	2,770,365	1,411,689	756,177
Cash and cash equivalents	79,911,287	36,829,823	51,504,302	4,291,681
	<b>171,264,884</b>	<b>197,651,816</b>	<b>67,330,007</b>	<b>12,087,792</b>
	<b>782,299,856</b>	<b>892,656,578</b>	<b>297,452,006</b>	<b>276,212,102</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	252,924,016	125,673,929	-	31,320,689
Deferred income tax liabilities	44,671,236	44,992,104	2,324,871	-
Derivative financial instruments	124,538	583,332	275,993	173,098
Retirement benefit obligations	303,200	1,418,522	36,148	36,148
Other non-current liabilities	9,393,342	-	-	-
	<b>307,416,333</b>	<b>172,667,887</b>	<b>2,637,012</b>	<b>31,529,935</b>
<b>Current liabilities</b>				
Trade and other payables	43,463,855	175,814,217	11,668,222	36,017,033
Current income tax liabilities	295,284	280,109	-	-
Borrowings	22,891,300	237,047,926	156,451	57,020,006
	<b>66,650,439</b>	<b>413,142,252</b>	<b>11,824,673</b>	<b>57,037,039</b>
	<b>374,066,771</b>	<b>585,810,139</b>	<b>14,461,685</b>	<b>88,566,974</b>
	<b>782,299,856</b>	<b>892,656,578</b>	<b>297,452,006</b>	<b>276,212,102</b>

	INCOME STATEMENT (Amounts in €)			
	GROUP		COMPANY	
	1/01-31/12/2006	1/01-31/12/2005	1/01-31/12/2006	1/01-31/12/2005
<b>Continuing operations</b>				
Sales	108,158,166	61,003,580	3,007,953	6,090,669
Cost of sales	(74,553,525)	(63,462,484)	(5,916,858)	(3,374,479)
	<b>33,604,641</b>	<b>(2,458,904)</b>	<b>(2,908,906)</b>	<b>2,716,190</b>
Gross profit	(10,973,918)	(21,605,709)	(6,554,419)	(5,219,896)
Administrative expenses	-	-	38,693,042	-
Reversal of provision for impairment	82,183,042	159,325,055	45,000	(45,000)
Fair value gains / (losses) of investment property	37,984,028	4,991,703	66,929,471	9,127,700
Profit / (loss) from participations sale in associates	-	2,124,441	(5,548,418)	779,814
Other operating income / (expenses) - net	(2,470,320)	-	-	-
	<b>140,327,473</b>	<b>142,376,386</b>	<b>90,655,770</b>	<b>7,358,768</b>
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>				
Depreciation	(2,289,392)	(1,950,856)	(648,272)	(674,366)
	<b>138,038,080</b>	<b>140,425,730</b>	<b>90,007,498</b>	<b>6,684,402</b>
<b>Earnings before interest and taxes</b>				
Finance costs - net	(17,919,911)	(5,762,987)	(3,687,463)	(2,064,084)
Share of (loss) / profit of associates	2,262,584	3,950,496	1,620,333	888,950
	<b>122,380,753</b>	<b>138,613,239</b>	<b>87,940,368</b>	<b>5,519,267</b>
<b>Profit before income tax</b>				
Minus: Taxes	(29,729,287)	(47,678,349)	(9,158,965)	(41,189)
	<b>92,651,466</b>	<b>90,934,891</b>	<b>78,781,402</b>	<b>5,478,078</b>
<b>Profit for the year from continuing operations</b>				
Discontinued operations	2,650,869	(2,901,009)	1,048,419	-
Profit for the year from discontinued operations				
	<b>95,302,335</b>	<b>88,033,883</b>	<b>79,829,821</b>	<b>5,478,078</b>
<b>Profit after tax for the year</b>				
Attributable to:				
Equity holders of the Company	94,534,422	80,604,184	79,829,821	5,478,078
Minority interest	767,913	7,429,699	-	-
	<b>95,302,335</b>	<b>88,033,883</b>	<b>79,829,821</b>	<b>5,478,078</b>
<b>Earnings per share from continuing operations</b>				
(expressed in € per share)				
Basic	2.10	2.08	1.79	0.13
Diluted	2.10	2.07	1.79	0.12
<b>Earnings per share from discontinued operations</b>				
(expressed in € per share)				
Basic	0.18	(1.12)	0.00	0.00
Diluted	0.18	(1.12)	0.00	0.00
<b>Proposed dividend per share for 2006 (expressed in € per share)</b>				0.23

**STATEMENT OF CHANGES IN EQUITY (Amounts in €)**

	GROUP			COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2006	31/12/2005
<b>Shareholder's equity at the beginning of the period</b>					
(1/01/2006 & 1/01/2005 respectively)	<b>306,846,439</b>	<b>215,832,610</b>	<b>187,645,129</b>	<b>181,126,068</b>	
Net profit after taxes	95,302,335	88,033,883	79,829,821	5,478,078	
	<b>402,148,774</b>	<b>303,866,493</b>	<b>267,474,950</b>	<b>186,604,146</b>	
Currency translation differences	37,900	1,098,662	-	-	
Shares issued in subsidiaries	3,848,000	1,197,000	-	-	
Fair value gains on available-for-sale financial assets	7,972,364	-	15,670,647	-	
Cash flow hedges	(70,041)	-	-	-	
Transfers between reserves	2,893	-	-	-	
Net income / expense recognised directly in equity	(12,782)	(1,572,096)	27,118	-	
Sale of subsidiaries	(2,841,549)	-	-	-	
Change in subsidiary shareholdings	(2,670,083)	615,397	-	-	
Purchase of treasury shares	(182,393)	-	(182,393)	-	
Employees share option scheme	-	1,040,982	-	-	
<b>Shareholder's equity at year end (31/12/2006 &amp; 31/12/2005 respectively)</b>	<b>408,233,085</b>	<b>306,846,439</b>	<b>282,990,321</b>	<b>187,645,129</b>	

**Additional records and accounts:**

Company	% Participation of the parent company	
	Parent company	Company
LAMDA Development SA	100.00%	49.24%
Full consolidation	100.00%	50.00%
LAMDA Estate Development SA	100.00%	50.00%
KRONOS PARKING SA	60.10%	50.00%
LAMDA Prime Properties SA	45.00%	50.00%
PYLAIAS SA	34.75%	50.00%
LAMDA Techno Filvos Holding SA	100.00%	Indirect
LAMDA Techno Filvos Marina SA	100.00%	Indirect
LAMDA Erga Anaplyxis SA	100.00%	Indirect
LAMDA Domi SA	100.00%	Indirect
LAMDA Property Management SA	100.00%	Indirect
LAMDA Hellis SA	80.00%	Indirect
LAMDA Anadixi SA	100.00%	Indirect
LAMDA Protipi Anaplyxi SA	100.00%	Indirect
LAMDA Development DOO Beograd	100.00%	Indirect
LAMDA Development Romania SRL	100.00%	Indirect
LAMDA Development Sofia	100.00%	Indirect

- In the parent company, the regular tax audit has been completed for the years 2003 to 2005, and tax payment of € 25,239 has occurred. LAMDA Estate Development S.A. has been tax audited until the year-end 2003 and LAMDA Prime Properties S.A. until the year-end 2004. All the other subsidiaries have not been tax audited since year 2003. Therefore, Group's tax obligations have not been defined permanently.
- The accounting principles adopted in the preparation and presentation of the financial statements are consistent with the same accounting principles adopted for the financial statements of the Company and the Group for the year ended 31/12/2005.
- Certain comparatives in the income statement and cash flow statement have been reclassified in order to better present the Company's performance. For further analysis, see note 34 of the Company's annual financial statements.
- On 7/11/2006 the Company transferred 50% of its participation in LAMDA Olympia Village S.A. to HSBCLUXEMBOURG SARL. As a result, the Group with this transaction loses the control and in league with HSBCLUXEMBOURG SARL, have the power to govern the financial and operating policies of LAMDA Olympia Village S.A. Also, the consolidation method is changed from full to proportionate. The sale of 50% of the Company's participation in LAMDA Olympia Village S.A. resulted to gains of € 62m for the parent and € 33.1 for the Group, that are presented in Profit from sale of participations' figure of Company and Group's financial statements.
- On 04/09/2006, the Company transferred its acquired shares in LAMDA Shipyards and Marine Services S.A., namely 75% of its share capital. The total cost of this transaction amounts to € 10.9 m. On 14/04/2006, the above mentioned subsidiary LAMDA Shipyards and Marine Services S.A. had proceeded to the transfer of APTOMATHE M.S.A. total shares for the amount of € 5.2m. The turnover of the above mentioned companies until the transfer date was € 8.8m (2005: € 12.2m) and the earnings before interest, taxes, depreciation & amortization in € 1.1m (2005: loss € 1.9m) for 2006. The profit from discontinued operations amounted to € 2.6m for 2006 (2005: loss € 2.9m) for the Group results.
- The subsidiary company Lamda Techno Filvos Marina S.A. is on the procedure of arbitration with the company ETA S.A. not only for the demand of € 7.7m but also for the liability of € 12.7 m. In addition, for the subsidiary company outstanding plea in abatement in the sight of State of Council regarding the expansion and the development of the Marina. The company expects a successful issue of the cases mentioned above.
- The subsidiary company LAMDA Development DOO (Beograd) is consolidated for the first time due to previous non-significant value. The parent Company participates with a percentage of 100% (direct consolidation method).
- The account "Trade and other Receivables" includes € 26.5m approximately concerning receivables against Hellenic State, for the reimbursement of VAT related to construction cost of the Shopping Centers.
- The company Consolidated Lamda Holdings SA registered in Luxembourg participates in Company's share capital by 55.67% and the before Group's financial statements are included in Consolidated Lamda Holdings SA's consolidated financial statements.
- Real estate liens and pre-notices, litigation, or arbitrations for any court decisions that are likely to have a significant impact on the Company's financial statement.
- There are neither cases under dispute, litigation, or arbitrations for any court decisions that are likely to have a significant impact on the Company's financial statement.
- The number of employees at the end of the year was 131 for the Group in total of which 80 for the Company (2005: Group 228, Company 85).

THE CHAIRMAN OF THE BOARD OF DIRECTORS  
& CHIEF EXECUTIVE OFFICER  
APOSTOLOS S. TAMVAKAKIS  
I.D. No P704691

THE GENERAL MANAGER  
& MEMBER OF THE BOARD OF DIRECTORS  
GEORGIOS K. PAPAGEORGIOU  
I.D. No P655346

Athens, 6 March 2007

**CASH FLOW STATEMENT (Amounts in €) - Indirect Method**

	GROUP			COMPANY	
	1/01-31/12/2006	1/01-31/12/2005	1/01-31/12/2006	1/01-31/12/2006	1/01-31/12/2005
<b>Cash flows from operating activities</b>					
Profit before income tax	122,380,753	138,613,239	87,940,368	5,519,267	
Adjustments for:					
Depreciation	2,289,392	1,950,856	648,272	674,366	
Fair value gains / (losses) of investment property	(82,183,042)	(159,325,055)	(45,000)	45,000	
Provisions	3,270,824	7,612,705	6,005	363,101	
Employees share option scheme	(40,346,611)	521,924	-	521,924	
Interest and other related expenses	17,919,909	7,441,588	(101,642,846)	(10,356,650)	
Finance costs - net	(19,315,680)	(441,351)	503,100	2,064,084	
Other non-cash flow items	<b>4,115,544</b>	<b>(13,217,910)</b>	<b>(8,902,638)</b>	<b>(1,168,907)</b>	
<b>Changes in working capital:</b>					
Decrease / (increase) in inventories	2,160,304	10,008,803	-	-	
Decrease / (increase) in receivables	(32,477,377)	(19,855,949)	(48,525,976)	(7,537,436)	
Increase / (decrease) in payables	(63,360,111)	9,723,856	(24,303,167)	(11,149,923)	
Minus:					
Interest expenses paid	(16,918,983)	(6,080,409)	(5,267,425)	(1,848,663)	
Income tax paid	(6,485,038)	(3,650,855)	(7,321,497)	(534,856)	
<b>Cash flows from operating activities - net</b>	<b>(112,965,661)</b>	<b>(23,070,463)</b>	<b>(94,320,704)</b>	<b>(22,239,784)</b>	
<b>Cash flows from investing activities</b>					
Purchases of property, plant, equipment and investment property	(23,568,979)	(127,891,308)	(125,489)	(2,377,093)	
Proceeds from sale of property, plant, equipment and investment property	22,553	2,299,118	-	2,306,955	
Dividends received	1,620,333	294,000	1,620,333	898,950	
Loans granted to related parties	(5,076,000)	-	(10,000,000)	-	
Proceeds from sale of subsidiaries	161,895,107	17,345,766	161,895,107	18,383,193	
Participation in share capital issue in subsidiaries and purchase of subsidiaries	(8,665,964)	(22,011,008)	(12,333,393)	(23,725,014)	
Interest received	98,599	195,398	680,636	13,400	
<b>Cash flows from investing activities - net</b>	<b>126,225,649</b>	<b>(129,768,035)</b>	<b>141,737,194</b>	<b>(4,999,610)</b>	
<b>Cash flows from financing activities</b>					
Purchase from issuance of shares of subsidiaries	521,5807	1,676,443	(1,278)	479,443	
Proceeds from treasury shares	(182,393)	-	(182,393)	-	
Proceeds from subsidiaries' share capital decrease	(100,000)	-	52,164,298	(10,148)	
Dividends paid to Company's shareholders	(254)	(10,148)	(254)	(10,148)	
Borrowings received	282,889,307	288,012,688	136,082,073	37,295,628	
Capital repayments of finance leases	(637,265)	(620,873)	-	-	
Repayments of borrowings	(257,463,726)	(123,798,650)	(188,266,316)	(7,864,798)	
<b>Cash flows from financing activities - net</b>	<b>29,721,477</b>	<b>165,259,461</b>	<b>(203,869)</b>	<b>29,900,125</b>	
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>43,081,465</b>	<b>12,420,963</b>	<b>47,212,621</b>	<b>3,160,731</b>	
Cash and cash equivalents at the beginning of year	36,829,823	23,938,113	4,291,681	1,130,951	
Cash and cash equivalents - discontinued operations	-	470,747	-	-	
<b>Cash and cash equivalents at the end of year</b>	<b>79,911,287</b>	<b>36,829,823</b>	<b>51,504,302</b>	<b>4,291,682</b>	

- The Company, during January 2007, proceeded in the acquisition of 90% of the share capital of Cypriot company Robies Services Ltd, which owns 100% of a Romanian company that holds a 95,000 sqm plot of land in the western part of Bucharest. The total price of the above transaction is € 2.6m.
- Also, during March 2007, the Company has signed a pre-sale agreement for the acquisition of the Bulgarian company JIH Ltd, which owns 6,300 sqm plot of land in Sofia, Bulgaria. The price of the transaction is € 13m.
- Intercompany transactions for the fiscal year 2006 and intercompany balances as of 31 December 2006, according to IAS 24 are as follows:  
Amounts in €  
GROUP COMPANY  
a) Sales of goods and services 2,303,186 2,842,701  
b) Purchases of goods and services 5,286,066 285,181  
c) Receivables 7,744,906 21,026,786  
d) Payables 43,379,839 109,970  
e) Transactions and gross salaries of BoD members and management 67,286 629,250  
f) Receivables from BoD members and management 5,913 -  
g) Payables from BoD members and management - -  
h) Sale of subsidiaries 10,950,000 10,950,000

THE FINANCIAL DIRECTOR  
VASSILIOS A. BALOUMIS  
I.D. No T061891

THE DIRECTOR OF FINANCE & ADMINISTRATION  
ODYSSEAS E. ATHANASIOU  
I.D. No AB510661

# LAMDIA OLYMPIA VILLAGE S.A.

Figures and information for the year  
ended December 31, 2006  
(Published according to article 135 of the Companies Act 2190/1920 for companies preparing  
annual financial statements, consolidated or not, in accordance with IFRS)

The figures and information illustrated below aim to provide a summary view of the financial position and results of LAMDIA OLYMPIA VILLAGE SA. Before making any investment decision or any other transaction concerning the company, we advise the reader to visit the company's website ([www.lamda-development.net](http://www.lamda-development.net)) which presents the detailed financial statements according to International Financial Reporting Standards, along with the auditor's report.

## COMPANY'S DATA:

Registered office: Laodikeias 16 & Nimiáiou, 11528 Athens  
 Register No: 48192/01/B/01/51602  
 Main activity: Real Estate Development  
 Regulatory authorities: Ministry of Developments, Department of Anonymes Companies  
 Date of approval of the annual financial statements: 2 April 2007  
 (from which summary data were compiled): Michalatos Konstantinos (SOEL Reg.No. 17701)  
 Certified auditor accountant: PricewaterhouseCoopers S.A.  
 Audit firm: With emphasis issue  
 Auditor's opinion: [www.lamda-development.net](http://www.lamda-development.net)  
 Company's website:

## Board of Directors

**Chairman of the Board:** Paul Emmanuel Mackey  
**Vice president & Chief Executive Officer:** Odyseas E. Athanasiou  
**Members:** Simon Peter de Albuquerque  
 Edward Douglas Glover  
 Timothy Geoffrey Thorp  
 Konstantina G. Karatopouzi  
 Alexandros I. Kokkidis  
 Anastasios P. Kotzinasias  
 Panagiotis S. Nikolaidis  
 Georgios C. Papageorgiou  
 Ioannis - Metaxas D. Trikardos

## BALANCE SHEET ( Amounts in € )

	31/12/2006	31/12/2005	Company
<b>ASSETS</b>			
Investment property	452,300,000	391,049,559	
Other non-current assets	25,106,710	1,462,085	
Inventories	63,333,069	56,134,543	
Trade and other receivables	14,672,539	33,639,799	
Other current assets	105,278	134,744	
Cash and cash equivalents	15,329,420	15,603,408	
<b>Total Assets</b>	<b>572,867,016</b>	<b>498,024,138</b>	
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
Long-term borrowings	280,000,000	70,000,000	
Non-Current liabilities	55,764,359	28,054,189	
Short-term borrowings	50,230,500	126,037,793	
Other current liabilities	16,066,212	98,268,817	
<b>Total liabilities (a)</b>	<b>402,061,072</b>	<b>322,360,799</b>	
Share Capital	15,606,432	120,723,108	
Other reserves	(150,579)	39,111	
Retained earnings	153,330,091	54,901,120	
<b>Total Equity (b)</b>	<b>170,785,944</b>	<b>175,663,339</b>	
<b>Total Liabilities &amp; shareholder's equity (c) = (a) + (b)</b>	<b>572,867,016</b>	<b>498,024,138</b>	

## INCOME STATEMENT ( Amounts in € )

	1/01 - 31/12/2006	1/01 - 31/12/2005	Company
Revenue	66,420,377	23,518,370	
Gross Revenue	25,434,261	(14,934,334)	
Fair value gains from investment property	113,628,680	107,717,343	
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>	<b>139,062,941</b>	<b>92,783,009</b>	
Earnings before interest and taxes	138,810,975	92,681,264	
Profit before taxes	128,405,956	91,953,212	
Minus: Taxes	(27,500,230)	(30,389,475)	
<b>Profit for the period</b>	<b>100,905,726</b>	<b>61,563,737</b>	

**STATEMENT OF CHANGES IN EQUITY (Amounts in €)**

	<b>31/12/2006</b>	<b>31/12/2005</b>
Shareholder's Equity at the beginning of the period (1/1/2006 and 1/1/2005)	175,663,339	114,240,771
Net profits for the period after taxes	100,905,726	61,565,737
	<b>276,569,065</b>	<b>175,804,508</b>
Share Capital decrease	(105,128,556)	-
Cash flow hedges reserves	(189,690)	-
Expenses related to issue of share capital	(476,755)	-
Deferred tax impact	11,881	(141,169)
Period shareholder's Equity at period end (31/12/2006 and 31/12/2005)	<b>170,785,945</b>	<b>175,663,339</b>

**Company**

**CASH FLOW STATEMENT (Amounts in €) - Indirect Method**

	<b>1/01 - 31/12/2006</b>	<b>1/01 - 31/12/2005</b>
<b>Cash flows from operating activities</b>		
Profits before taxes	128,405,956	91,953,212
Adjustments for:		
Depreciation	251,967	101,745
Receivables impairment	2,136,299	-
Provisions for inventories	-	6,755,517
Fair value gains of investment property	(113,628,680)	(10,771,343)
Results from investing activities: (Revenues, Expenses, Profits, Losses)	(38,607)	(36,192)
Interest expenses	10,440,478	764,245
Changes in working capital:		
Increase in inventories	651,0646	4,740,714
(Increase) / decrease in receivables	2,494,051	(13,000,598)
Increase / (decrease) in payables	(55,962,565)	14,012,104
Minus:		
Interest expenses paid	(9,206,280)	(1,199,065)
Income tax paid	29,466	(394,629)
<b>Net cash flow from operating activities (a)</b>	<b>(28,567,269)</b>	<b>(4,020,291)</b>
<b>Cash flows from investing Activities</b>		
Purchase of property, plant and equipment	(108,342)	(68,653,974)
Proceed from sale of property, plant and equipment	9,269	-
Interest received	35,460	36,192
<b>Net cash flows from investing activities (b)</b>	<b>(63,613)</b>	<b>(68,617,782)</b>
<b>Cash Flows from Financing Activities</b>		
Share capital decrease	(105,128,556)	-
Share capital issue expenses	(476,755)	(174,790)
Borrowings received	305,000,000	112,000,000
Repayment of borrowings	(171,037,793)	(36,000,133)
<b>Net cash flows from financing activities (c)</b>	<b>28,356,896</b>	<b>75,825,077</b>
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>(273,988)</b>	<b>3,187,004</b>
Cash and cash equivalents at beginning of the period	15,603,408	12,416,404
<b>Cash and cash equivalents at end of the period</b>	<b>15,329,420</b>	<b>15,603,408</b>

**Company**

**Additional figures and information:**

- The company has been audited by the tax authorities year-end 2002.
- The average number of company's employees at 31/12/2006 was 2 employees.
- The Company is jointly controlled by Lamda Development S.A. which is registered in Athens and HSBC LUXEMBOURG SARL, registered in Luxembourg with effect from 07/11/2006, as a result of the transfer of 13,006,105 shares between the aforementioned parties under the sale and purchase agreement dated 07/11/2006. Consequently, Lamda Development S.A. and HSBC LUXEMBOURG SARL each own 49.24% of Company's shares and therefore Company's financial statements are included in their consolidated financial statements under proportionate method.
- Assets include receivables amounting to approximately €20,5m (2005: €24,6m) comprise VAT paid for construction costs of the shopping center.
- Real estate liens and pre-notices amount to approximately €425,2 m.
- There are neither cases under dispute, litigation, or arbitrations nor are any court decisions that are likely to have a significant impact on the Company's financials.
- Company's transactions with related parties for the year 2006 and related parties balances as at 31 December 2006, under IAS 24 are: Sales of services €22,165,470; Purchase of services €4,715,840; Liabilities €6,648,860; Loans from related parties €30,250,500 and Cash at bank - related parties €15,088,090.
- Certain previous year income statement items as well as the respective notes have been reclassified in order to be comparable with the current period. In addition, with a view to providing investors with additional information, supplementary analysis in income statement is provided. These reclassifications had no effect on profits attributable to the shareholders.

Athens, April 2 2007

THE CHAIRMAN OF THE BOARD OF DIRECTORS

PAUL EMMANUEL MACKEY  
Passport ID S1 06596

THE VICE PRESIDENT & CHIEF EXECUTIVE OFFICER

ODYSEEAS E. ATHANASIOY  
ID No AB510661

THE FINANCIAL DIRECTOR

VASSILIOS A. BALOUMIS  
ID No T061891

THE ACCOUNTANT

MARIA T. MALIAPPI  
A CLASS ACC.ID. 0016087



# LAMDA PRIME PROPERTIES S.A.

Summary financial data and information for the year  
ended 31 December 2006

Published according to article 135 of Law 2190, for companies preparing  
annual financial statements, consolidated or not, in accordance with the IFRS

Information listed below is aiming to provide general awareness about the financial position and the financial results of LAMDA Prime Properties S.A. Users requiring non-summarised information of the company's financial position and results; must refer to the annual financial statements prepared under International Financial Reporting Standards (IFRS), as well as the certified auditors opinion. Indicatively, users may visit the company's website ([www.lamda-development.net](http://www.lamda-development.net)), where the aforementioned information is published.

## COMPANY'S DATA:

Registered office: Laodikias 16 & Nimfiou, 11528, Athens  
 Register No: 13078/01/B/01/86/138/01  
 Main activity: Real estate  
 Regulatory authorities: Ministry of Developments, Department of Anonymes Companies  
 Date of approval of the annual financial statements: 2 April 2007  
 (from which summary data were compiled): Michalatos Konstantinos (SOEL Reg. No.17701)  
 Certified auditor accountant: PricewaterhouseCoopers S.A.  
 Audit firm: Unmodified  
 Auditors' opinion:  
 Company's website: [www.lamda-development.net](http://www.lamda-development.net)

## Board of Directors

Chairman of the Board: Chronis I. Evaggelos  
 Vice president: Papageorgiou C. Georgios  
 Chief Executive Officer: Vekios S. Vasilios  
 Member: Athanasiou E. Odysseas

## BALANCE SHEET (Amounts in €)

	31/12/2006	31/12/2005
<b>ASSETS</b>		
Investment property	33,840,000	31,045,000
Non-current assets	1,245,236	1,444,655
Trade and other receivables	17,341	42,734
Cash and cash equivalents	10,684	10,507
<b>TOTAL ASSETS</b>	<b>35,113,260</b>	<b>32,542,896</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Non-current liabilities	7,506,064	7,550,481
Short-term bank borrowings	250,414	69,235
Other current liabilities	162,030	700,765
<b>Total liabilities (a)</b>	<b>7,918,508</b>	<b>8,320,481</b>
Share capital	3,600,000	3,600,000
Other reserves	84,609	46,826
Retained earnings / (Accumulated losses)	23,510,143	20,575,590
<b>Total shareholders equity (b)</b>	<b>27,194,752</b>	<b>24,222,415</b>
<b>TOTAL EQUITY AND LIABILITIES (c) = (a) + (b)</b>	<b>35,113,260</b>	<b>32,542,896</b>

## INCOME STATEMENT (Amounts in €)

	1/01 - 31/12/2006	1/01 - 31/12/2005
<b>Sales</b>	1,887,833	2,119,876
<b>Gross profit</b>	<b>1,658,518</b>	<b>1,833,063</b>
Fair value gains / (losses) of investment property	2,795,000	3,346,000
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>	<b>4,345,112</b>	<b>5,183,987</b>
<b>Earnings before interest and taxes</b>	<b>4,142,760</b>	<b>4,981,786</b>
<b>Profit before income tax</b>	<b>3,859,294</b>	<b>4,703,071</b>
Minus: Taxes	(886,958)	(1,644,044)
<b>Profit after tax for the year</b>	<b>2,972,337</b>	<b>3,059,027</b>

<b>STATEMENT OF CHANGES IN EQUITY (Amounts in €)</b>		
	<b>Company</b>	
	<b>31/12/2006</b>	<b>31/12/2005</b>
Shareholder's equity at the beginning of the period (1/01/2006 & 1/01/2005 respectively)	24,222,415	21,163,388
Net profit after taxes	2,972,337	3,059,027
Shareholder's equity at year end (31/12/2006 & 31/12/2005 respectively)	27,194,752	24,222,415
<b>CASH FLOW STATEMENT (Amounts in €) - Indirect Method</b>		
	<b>Company</b>	
	<b>1/01 - 31/12/2006</b>	<b>1/01 - 31/12/2005</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	3,859,294	4,703,071
Adjustments for:		
Depreciation	202,352	202,201
Fair value gains / (losses) of investment property	(2,795,000)	(3,346,000)
Results from investing activities (Revenues, Expenses, Profits, Losses)	(2,220)	(2,424)
Interest and other related expenses	285,685	281,139
Changes in working capital:		
Decrease / (increase) in receivables	25,393	3,347
Increase / (decrease) in payables	(471,520)	(56,099)
Minus:		
Interest expenses paid	(282,823)	(295,941)
Income tax paid	(281,451)	(669,041)
<b>Cash flows from operating activities - net (a)</b>	<b>539,710</b>	<b>820,254</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant, equipment and investment property	(2,933)	(47,303)
Interest received	2,220	2,424
<b>Cash flows from investing activities - net (b)</b>	<b>(713)</b>	<b>(44,879)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(720,000)	(771,670)
<b>Cash flows from financing activities - net (c)</b>	<b>(720,000)</b>	<b>(771,670)</b>
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>(181,003)</b>	<b>3,705</b>
Cash and cash equivalents at the beginning of year	(58,728)	(62,432)
<b>Cash and cash equivalents at the end of year</b>	<b>(239,730)</b>	<b>(58,728)</b>

**Additional records and accounts:**

1. The Company has been audited by tax authorities until the year-end 2004.
2. The Company's financial statements are included in the consolidated financial statements of LAMDA Development S.A. (registered offices in Greece), which owns 100% of the Company's ordinary shares; by the full consolidation method.
3. There are no real estate liens and pre-notices.
4. There are neither cases under dispute, litigation, or arbitrations nor any court decisions that are likely to have a significant impact on the Company's financial statement.
5. Intercompany transactions for the fiscal year 2006 and intercompany balances as of 31 December 2006, according to IAS 24 are as follows:
  - i) Sales of goods and services € 131,755.
  - ii) Payables € 17,979.
  - iii) Cash at bank - related parties € 9,518.

Athens, 2 April 2007

THE CHAIRMAN OF THE BOARD OF DIRECTORS

EVAGGELOS I. CHROMIS  
ID No Σ281286

THE CHIEF EXECUTIVE OFFICER

VASSILIOS S. VERIOS  
ID No X066973

THE FINANCIAL DIRECTOR

VASSILIOS A. BALOUMIS  
ID No T061891

THE ACCOUNTANT

PAVLOS N. KORNAROS  
ID No Σ28210

# PYLEA S.A.

## Summary financial data and information for the year ended 31 December 2006 Published according to article 135 of Law 2190, for companies preparing annual financial statements, consolidated or not, in accordance with the IFRS

Information listed below is aiming to provide general awareness about the financial position and the financial results of PYLEA S.A. Users requiring non-summarised information of the company's financial position and results, must refer to the annual financial statements prepared under International Financial Reporting Standards (IFRS), as well as the certified auditors opinion. Indicatively, users may visit the company's website ([www.lamda-development.net](http://www.lamda-development.net)), where the aforementioned information is published.

### COMPANY'S DATA:

Registered office: Laodikeias 16 & Nimiatiou, 11528, Athens  
 Register No: 50043/01/B/01/600  
 Main activity: Real Estate Development  
 Ministry of Developments, Department of Anonymes Companies  
 Date of approval of the annual financial statements (from which summary data were compiled): 29 March 2007  
 Certified auditor accountant: Michailatos Konstantinos (SOEL Reg. No.17701)  
 Audit firm: PricewaterhouseCoopers S.A.  
 Auditors' opinion: Unmodified- With emphasis issues  
 Company's website: [www.lamda-development.net](http://www.lamda-development.net)

### Board of Directors

Chairman of the Board: Dimakopoulos C. Alexandros  
 Members: Theodoros C. Glavas  
 Odyseas E. Athanasiou  
 Georgios K. Papageorgiou  
 Apostolos S. Tamvakakis  
 Theodoros N. Charagionis  
 Konstantina G. Karatopouzi  
 Alvaro Gamona e Costa Portela  
 Fernando Maria Guedes Machado Antunes de Oliveira

### BALANCE SHEET (Amounts in €)

	31/12/2006	31/12/2005
<b>ASSETS</b>		
Non-current assets	158,622,557	150,706,995
Trade and other receivables	23,571,635	21,664,989
Other assets	174,426	652,454
Cash and cash equivalents	3,857,659	9,445,363
<b>TOTAL ASSETS</b>	<b>182,226,277</b>	<b>182,469,801</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Other non-current liabilities	12,579,486	13,169,324
Long-term borrowings	70,000,000	70,000,000
Other current liabilities	14,838,971	25,144,654
<b>Total liabilities (a)</b>	<b>97,417,457</b>	<b>108,313,978</b>
Share capital	52,703,739	45,703,739
Other reserves	23,362	-
Retained earnings / (Accumulated losses)	36,080,718	28,452,084
<b>Total shareholders equity (b)</b>	<b>88,807,819</b>	<b>74,155,823</b>
<b>TOTAL EQUITY AND LIABILITIES (c) = (a) + (b)</b>	<b>182,226,277</b>	<b>182,469,801</b>

### INCOME STATEMENT (Amounts in €)

	1/01 - 31/12/2006	1/01 - 31/12/2005
<b>Sales</b>	<b>14,881,826</b>	<b>3,453,237</b>
<b>Gross profit</b>	<b>8,800,190</b>	<b>1,700,694</b>
Fair value gains / (losses) of investment property	4,748,522	46,860,857
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>	<b>10,615,387</b>	<b>43,201,058</b>
<b>Earnings before interest and taxes</b>	<b>10,581,460</b>	<b>43,181,804</b>
<b>Profit before income tax</b>	<b>7,131,008</b>	<b>42,507,397</b>
Minus: Taxes	597,627	(13,139,173)
<b>Profit after tax for the year</b>	<b>7,728,635</b>	<b>29,368,224</b>

<b>STATEMENT OF CHANGES IN EQUITY (Amounts in €)</b>		
	<b>31/12/2006</b>	<b>31/12/2005</b>
	<b>Company</b>	
Shareholder's equity at the beginning of the period (1/01/2006 & 1/01/2005 respectively)	74,155,823	10,387,598
Net profit/loss directly to equity	23,362	-
Net profit after taxes	7,728,635	29,368,224
	81,907,820	39,755,823
Expenses related to issue of share capital	(100,000)	-
Share capital issue	7,000,000	34,400,000
Shareholder's equity at year end (31/12/2006 & 31/12/2005 respectively)	<b>88,807,819</b>	<b>74,155,823</b>
<b>CASH FLOW STATEMENT (Amounts in €) - Indirect Method</b>		
	<b>1/01 - 31/12/2006</b>	<b>1/01 - 31/12/2005</b>
	<b>Company</b>	
<b>Cash flows from operating activities</b>		
Profit before income tax	7,131,008	42,507,398
Adjustments for:		
Depreciation	33,927	19,254
Receivables impairment	2,020,233	-
Fair value gains / (losses) of investment property	(4,748,572)	(46,860,857)
Results from investing activities (Revenues, Expenses, Profits, Losses)	(2,405,717)	(9,383)
Interest and other related expenses	3,474,509	683,790
Changes in working capital:		
Decrease / (increase) in receivables	(3,926,879)	(13,435,245)
Increase / (decrease) in payables	(10,589,653)	10,279,514
Minus:		
Interest expenses paid	(3,190,537)	(415,604)
Income tax paid	509,178	(605,505)
<b>Cash flows from operating activities - net (a)</b>	<b>(9,310,793)</b>	<b>(7,836,638)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant, equipment and investment property	(9,594)	(51,918,773)
Capital expenditure on investment property	(3,191,374)	-
Interest received	24,057	9,382
<b>Cash flows from investing activities - net (b)</b>	<b>(3,176,911)</b>	<b>(51,909,391)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital increase	6,900,000	3,000,000
Proceeds from borrowings issued / received	-	70,000,000
Repayments of borrowings	-	(10,000,000)
<b>Cash flows from financing activities - net (c)</b>	<b>6,900,000</b>	<b>63,000,000</b>
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>(5,587,704)</b>	<b>3,253,971</b>
Cash and cash equivalents at the beginning of year	9,445,363	6,191,392
<b>Cash and cash equivalents at the end of year</b>	<b>3,857,659</b>	<b>9,445,363</b>

<b>Additional records and accounts:</b>	
1.	The Company has been audited by tax authorities until the year-end 2002.
2.	The Company has no employees.
3.	The Company's financial statements are included in the consolidated financial statements of LAMDA Development S.A. (registered offices in Greece), which owns 60,10% of the Company's ordinary shares, by the full consolidation method.
4.	The account "Trade and other receivables" includes € 16,4m approximately which relates to VAT paid on the building costs of the shopping centre, and which are expected to be refunded.
5.	There are no real estate liens and pre-notices.
6.	There are neither cases under dispute, litigation, or arbitrations nor any court decisions that are likely to have a significant impact on the Company's financial statement.
7.	Intercompany transactions for the fiscal year 2006 and intercompany balances as of 31 December 2006, according to IAS 24 are as follows:
i)	Sales of goods and services € 51,901.
ii)	Purchases of goods and services € 2,577,756.
iii)	Receivables € 5,274.
iv)	Payables € 5,302,991.

Athens, 29 March 2007

THE CHAIRMAN OF THE BOARD OF DIRECTORS

ALEXANDROS C. DIMAKOPOULOS  
ID No T 538734

A MEMBER OF THE BOARD OF DIRECTORS

ODYSEAS E. ATHANASIOU  
ID No AB 510661

THE FINANCIAL & MANAGING DIRECTOR

DIMITRIOS P. KASVIS  
ID No P 664545

THE CHIEF ACCOUNTANT

SOTIRIOS K. GIOUSIOS  
A CLASS ACC ID 18909

