

Annual Report 2005

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# Letter to Shareholders

Athens, May 2006

Dear Shareholders,

2005 was a landmark year for LAMDA Development as the company confirmed its leading position in real estate development and more specifically in the management of commercial and leisure centres. Within the year, both investments in the commercial and leisure centres, Mediterranean Cosmos in Pylea Thessaloniki and The Mall Athens in Maroussi Attica, were completed. 2005 was a difficult year due to the multiple technical issues that needed to be addressed as well as the massive effort put forth to commercialize approximately 105,000 m<sup>2</sup> (Gross Leasable Area) for which we signed commercial agreements.

With the launch of operations at Mediterranean Cosmos in October and The Mall Athens in November, the most significant part of LAMDA Development's investment programme began to generate profits through the ongoing flow of revenues from approximately 405 stores operating in both centers. The progress of these centres is positive both in terms of frequency of visitors as well as stores turnover.

Furthermore, in 2005, within the framework of LAMDA Development's restructuring and strong focus on real estate, the Management proceeded with a series of strategic decisions that improve LAMDA Development's investment portfolio, strengthen its profitability and simultaneously limit investment risks.

More specifically:

- LAMDA Development proceeded with the sale of 50% of the shares it owned in Swissport LAMDA Hellas S.A. which represented its total participation in the company.
- The company transferred 16.7% of EFG Eurobank Properties S.A. total share capital for the price of €12,497,916, whilst the company participated in the share capital increase of EFG Eurobank Properties, with the amount of €21,114,486.
- The company transferred 14.95% of ZINON AKINITA S.A. share capital for the amount of €2,204,000.
- The company proceeded with the sale of the industrial property (storage areas) it owned since 2001 in Krioneri Attica for the total amount of €2,300,000.
- Finally, the subsidiary company LAMDA Estate Development S.A. sold 51% of the total share capital it owned from 2001 in the company GI & KATASKEVI, which developed the holiday home complex in Xylocastro Corinth.

The above transactions improved the company's consolidated results by €5,300,000.

With the disengagement of assets and human resources, LAMDA Development can now proceed with new investment plans. Future developments will leverage on the significant experi-

ence and know-how acquired from the successful completion of our investment plan in order to further reinforce the company's positioning in the real estate development sector in Greece and abroad.

During 2006, the company will direct its attention to commercial and leisure centre developments (malls, outlets, big boxes) as well as second home developments (holiday home complexes).

The company is also focusing strongly on Central Eastern Europe, given the rapid financial growth of the countries in that region as well as the experience that the company is continuously acquiring in the markets of Romania, Bulgaria and Serbia. Developments under consideration in these countries include commercial and leisure centres (malls, outlets, big boxes), residential complexes and, to a less extent, office buildings.

The main financial goal of the LAMDA Development group of companies is the improvement of the NAV. The completion and operation of the two commercial and leisure centres in 2005 led to a 70% NAV increase prior to the subtraction of the deferred taxes. A further NAV increase is expected in 2006 due to the expected improvement in the performance of existing investments, the decrease in required real estate yields and new real estate developments.

Dear shareholders, 2005 was a year of restructuring for the company. A critical year, during which large commercial investments were successfully completed, but also a year when the company's future risks were reduced through a series of small-scale strategic moves.

All the above could not have been completed without the arduous efforts and contribution from the company's employees, who, under difficult conditions displayed noteworthy performance in all areas of the company's activities. This serves as a solid confirmation of LAMDA Development's valuable resources and prospects, which are being capitalized to the maximum with the new organizational structure currently in place.

On behalf of the company's management and employees, we thank you warmly for your trust.



**Apostolos S. Tamvakakis**  
Chairman of the BoD

## Financial Performance 2005

The fiscal year 2005 constitutes a milestone for the LAMDA Development group of companies as the subsidiaries LAMDA Olympia Village S.A. and Pylea S.A. successfully completed the two largest investments - both on a technical and commercialization level.

The positive impact from the completion of these investments is reflected in the financial results (according to IFRS) as fair value gains were recorded (€159 million) that resulted from the appraisal of the group's real estate investments at fair market value (based on IAS 40). The fair value gains resulted mainly from the completion and successful commercialization of the shopping and leisure centres The Mall Athens and Mediterranean Cosmos as well as from the international trend of improved yields in the real estate sector. The appraisal of the real estate investments were conducted by the independent valuer FDP Savillis.

Furthermore, additional profits reached approximately €5.3 million and resulted from the sales of smaller developments in Krioneri, GI & KATASKEVI (Xylocastro), ZINON AKINITA, as well as the company's total participation in Swissport LAMDA Hellas, a company whose business activities are not related to the real estate sector.

Given that management expenses (€13.8 million) remained at 2004 levels, despite the large size of the developments, the company's cost containment policy proved especially effective.

The total number of employees in the parent and subsidiary real estate companies was reduced by 15% from the previous year and by 30% for subsidiary LAMDA Shipyards.

LAMDA TechnOL Flisvos Marina's results and consolidated balance sheet were burdened in 2005 with the amount of €7 million as an additional provision, reflecting the total claim of lease payments by the Tourism Development Company. The actual final amount of lease payments will be determined by the process of arbitration currently underway. However, by applying the principle of prudence, the entire claim by the Tourism Development Company has been recorded.

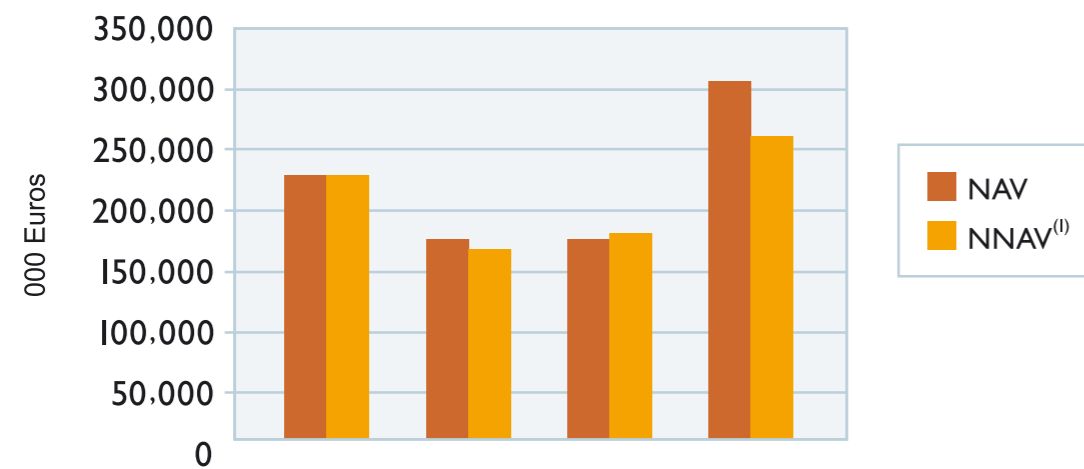
The 2005 balance sheet reflects the rapid increase in assets, the structure of which improved due to the significant increase in net worth by 47% before minority rights. Furthermore, with the completion of the large investments, a restructuring of bank loans was partially achieved by converting loans from short-term to medium and long-term as well as the hedging of interest rate risks. The restructuring continues for the current year with the aim to cover interest rate risk by approximately 90% of the medium to long-term loans.

The most important financial information and results of the LAMDA Development group is displayed on the following charts and graphs:



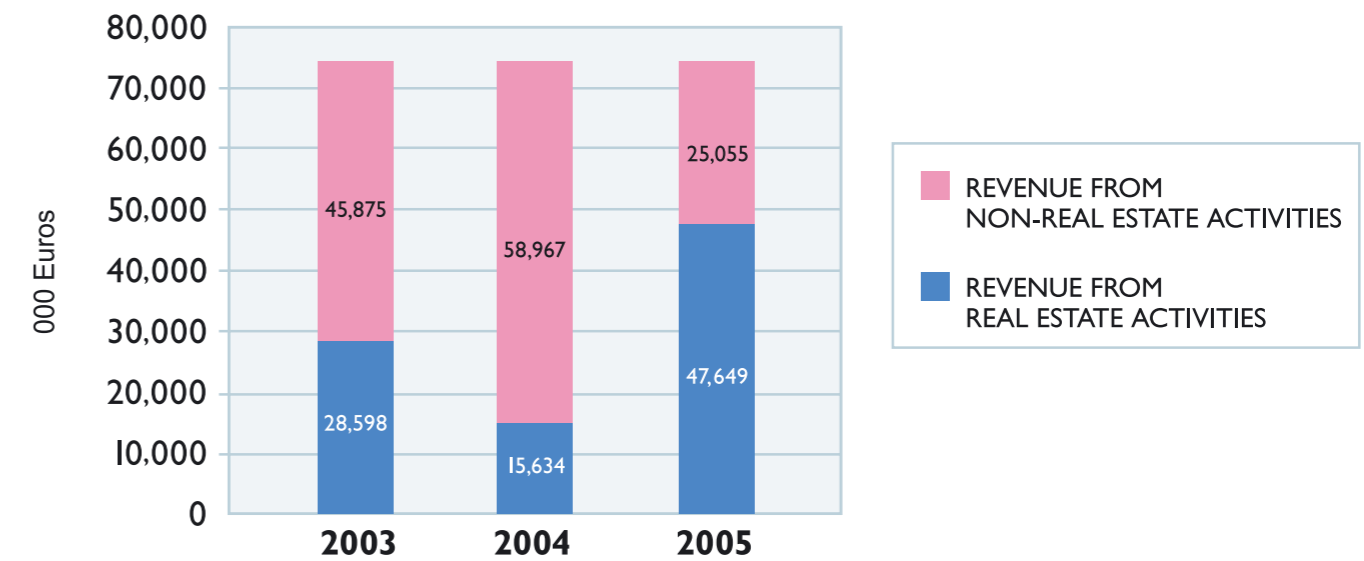
NAV PERFORMANCE				
(in 000 Euros)				
(Net of minority interest)				
	2002	2003	2004	2005
NAV	224,845	178,234	176,565	301,721
NNAV <sup>(1)</sup>	224,845	170,193	178,854	263,447

(1) NAV minus deferred tax



The recording of fair value gains from the completion and operation of the two commercial and leisure centres during the fourth quarter of 2005 led to a significant NAV increase by 70% for LAMDA Development shareholders on a consolidated basis and by 47% net of deferred taxation.

TURNOVER			
(in 000 Euros)			
	2003	2004	2005
TOTAL TURNOVER	74,473	74,601	72,704

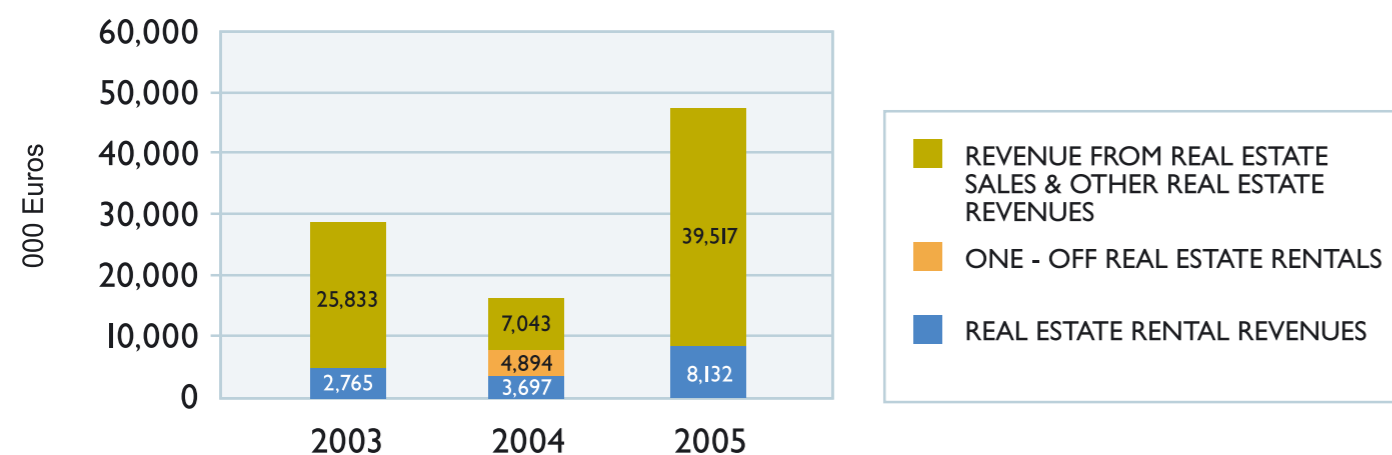


Sales of smaller real estate developments, the sale of the company's participation in Swissport LAMDA Hellas, which consequently was not accounted for in the 2005 second semester results, as well as the sale of ILIDA apartments, owned by subsidiary LAMDA Olympia Village, resulted in a significant increase in turnover in real estate activities in 2005 (66% of total turnover) compared to 2004 (21% of total turnover).

### TURNOVER FROM REAL ESTATE ACTIVITIES

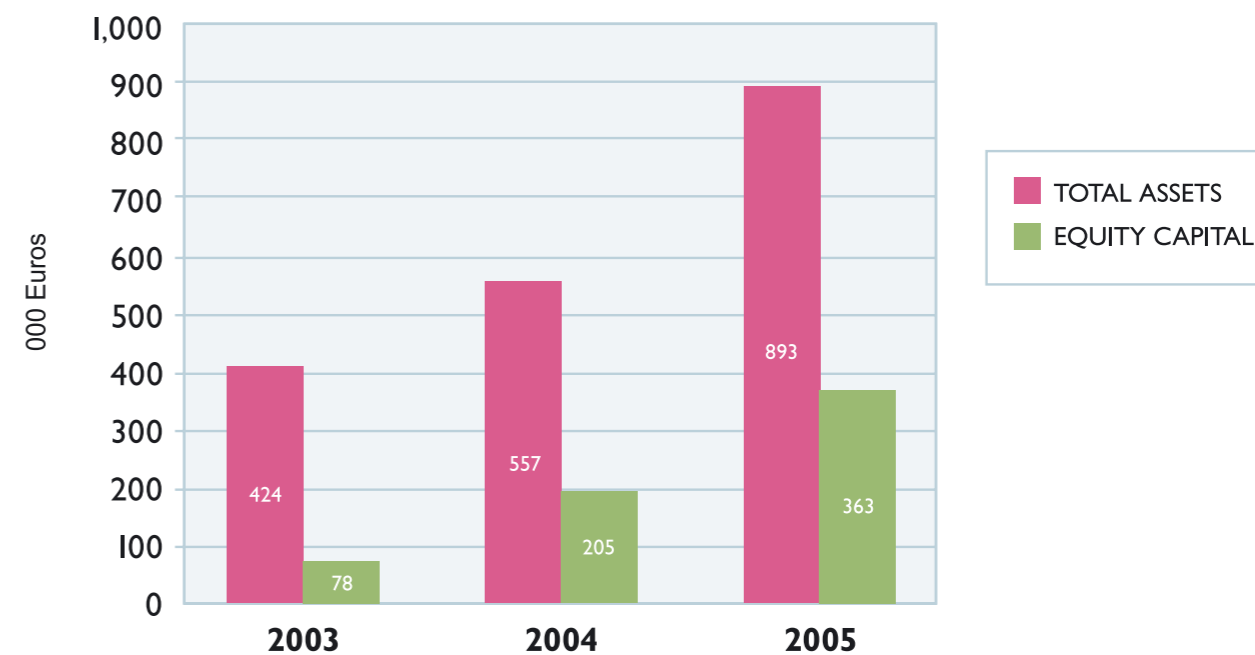
(in 000 Euros)

	2003	2004	2005
TOTAL TURNOVER FROM REAL ESTATE	28,598	15,634	47,649



The launching of operations of The Mall Athens on November 26, 2005 and Mediterranean Cosmos on October 20, 2005 resulted in the increase of turnover from leasing by 120% in the fiscal year 2005 in comparison to the previous year. During 2004, one – off revenues were recorded from the “ATHENS 2004” Organization Committee for the use of facilities offered by subsidiary company LAMDA Olympia Village for the accomodation of the international media.

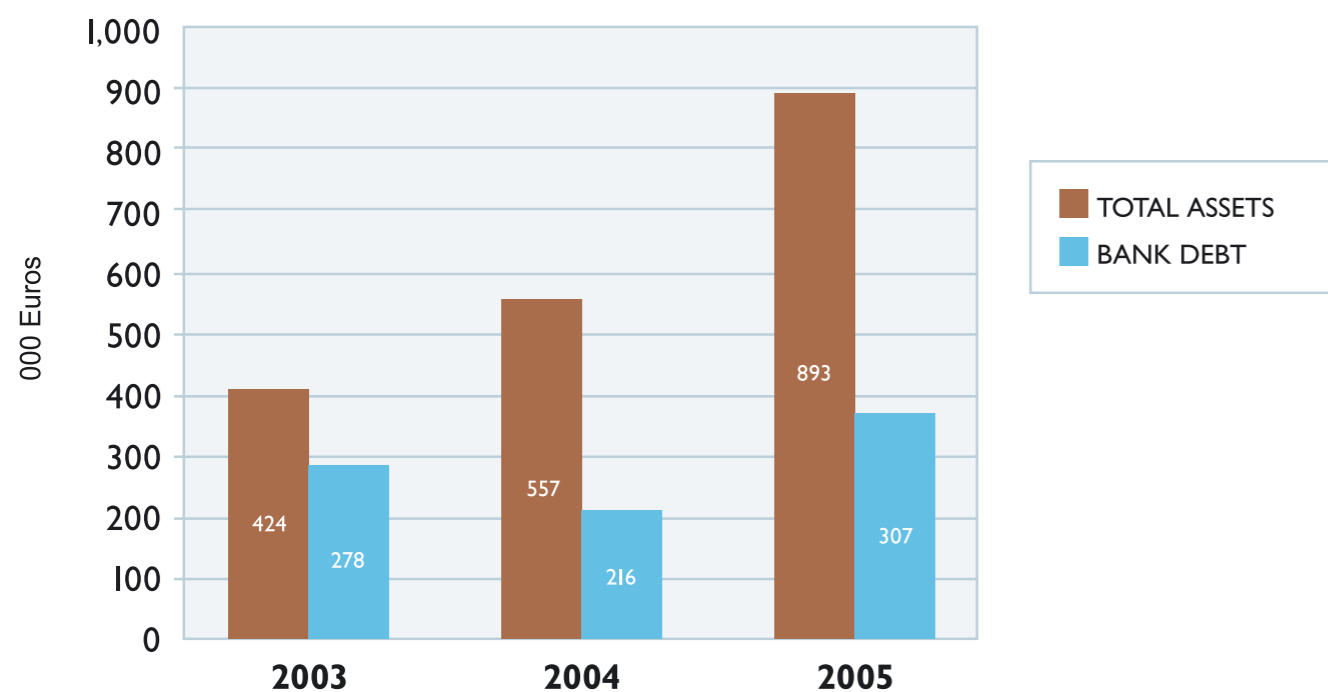
### TOTAL ASSETS AND EQUITY CAPITAL



The substantial increase of assets by 60% in 2005 was accompanied by an increase in bank loans by 77%, whilst the ratio of bank loans to total assets reached 41%.

As of 31/12/2005, €126 million in bank loans were converted to long-term loans, whilst interest-rate risks were covered by 60%.

## TOTAL ASSETS AND BANK DEBT



The ratio of total equity to total assets reached 34.4%.

## OVERVIEW OF FY 2005 IFRS FINANCIALS - INCOME STATEMENT

(€ million)	31-12-05	31-12-04
REVENUE	72.7	74.6
OPERATING PROFIT <sup>(1)</sup>	141.7	1.2
PROFIT BEFORE INCOME TAX	135.6	(0.8)
DEFERRED TAXES	44.9	3.2
PROFIT AFTER TAX & MINORITY INTEREST	80.6	8

<sup>(1)</sup>Includes net gain on fair value adjustment on investment property

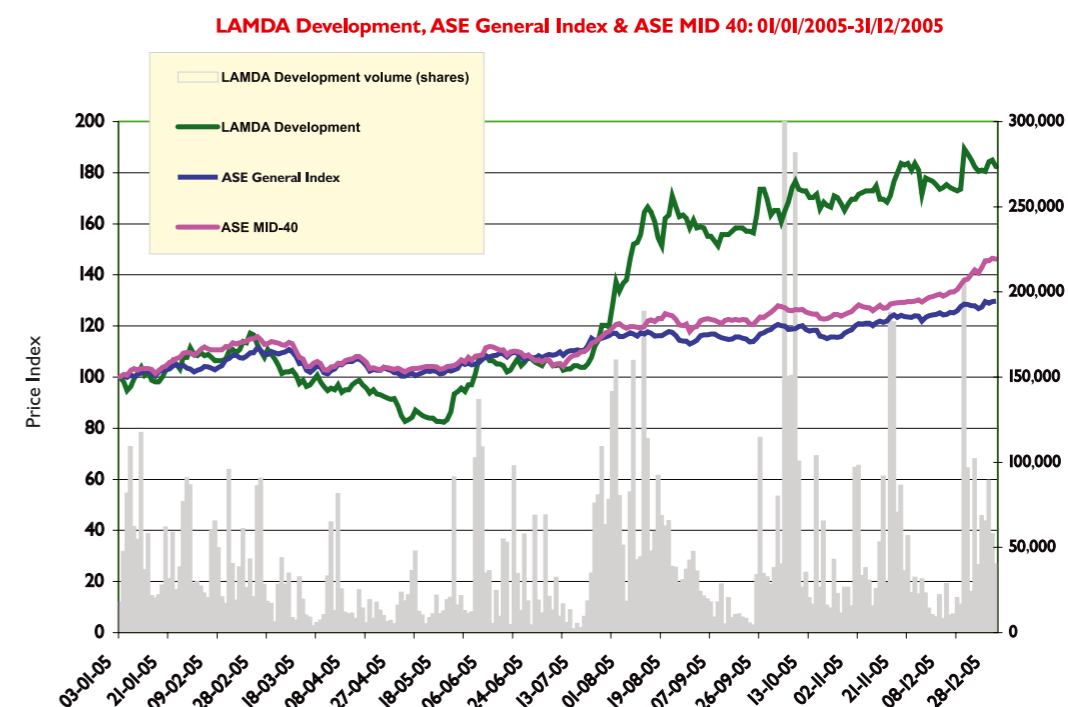
## OVERVIEW OF FY 2005 IFRS FINANCIALS - BALANCE SHEET

(€ million)	31-12-05	31-12-04	CHANGE %
INVESTMENT PROPERTY	602.7	55	996%
PROPERTY, PLANT AND EQUIPMENT	49.1	271.4	(82%)
INVENTORIES	80.9	103.6	(22%)
CASH AND CASH EQUIVALENTS	36.8	24.4	51%
GROUP EQUITY	306.8	215.8	42%
SHORT TERM BORROWINGS	237	162.2	46%
LONG TERM BORROWINGS	125.7	43.2	191%

# Stock Performance

The past year was marked with a significantly positive performance for LAMDA Development stock. Specifically, for the entire year 2005 the company's stock recorded an 82% increase in comparison to 32% in the General Index and 47% in the FTSE/ASE MID-40 Index.

LAMDA Development's participation in the large-cap index of the Athens Stock Exchange, its entry in the FTSE/ASE MID-40 index in 2005, as well as its participation in the international EPRA/NAREIT index of select listed real estate companies, underscore the importance of the company's stock and strengthen its tradability. Indicatively, the stock has recorded a doubling of its daily trading volume in comparison to last year. As of May 2006, LAMDA Development is also included amongst the 60 companies that comprise the ASE's General Index.



SHARE PRICE PERFORMANCE		
	2005	2004
CLOSING PRICE AT YEAR END	€ 5.76	€ 3.16
ANNUAL AVERAGE PRICE	€ 4.11	€ 3.58
ANNUAL MAX PRICE	€ 5.98	€ 4.66
ANNUAL MIN PRICE	€ 2.60	€ 2.83
DAILY AVERAGE NUMBER OF SHARES TRADED	43,458	22,976

	31-12-04	31-12-05	Δ%
LAMDA DEVELOPMENT	3.16€	5.76€	82%
ASE GENERAL INDEX	2,786.18	3,663.90	32%
ASE MID 40	2,309.91	3,397.00	47%

LISTED IN ATHENS STOCK EXCHANGE	
Participating at following indexes:	
FTSE ASE MID-40	
ASE GENERAL INDEX	
EPRA/NAREIT INDEX	
EPSI 50	
REUTERS QUOTE	LMDr.AT
BLOOMBERG QUOTE	LAMDA GA

PER SHARE FINANCIAL DATA		
	2005	2004
TOTAL NUMBER OF SHARES OUTSTANDING AT YEAR'S END	43,785,950	43,592,950
WEIGHTED NUMBER OF SHARES	43,749,831	43,576,963
PER SHARE FINANCIAL DATA		
PROFIT BEFORE TAXES	€ 3.10	-
PROFIT AFTER TAXES AND MINORITY INTERESTS	€ 1.84	€ 0.18
BOOK VALUE	€ 6.02	€ 4.10



# Strategy and Prospects



LAMDA Development's restructuring in 2005 set the foundations for the company's dynamic future expansion.

The – almost simultaneous – completion and operation of the two commercial and leisure centres The Mall Athens and Mediterranean Cosmos in Thessaloniki affirms LAMDA Development's potential. From a technical and commercial perspective, the company completed both investments under an incredibly short time period in a country where the international concept of a "mall" was, until recently, unknown and untried.

Today, the company holds a significant competitive advantage that results from the accumulated experience and high-calibre know-how of the company's employees. More specifically, the company provides:

- Unrivalled knowledge in the management of large and complex technical projects (project management) in the Greek market.
- Commercialization abilities for large developments, such as The Mall Athens and Mediterranean Cosmos.
- Appropriate know-how for optimum investment management.
- Specialized experience in financial, legal and taxation issues relevant to large investments.

The above experience which is accumulated by the employees of LAMDA Development provides the company with a unique competitive advantage in terms of know-how.

LAMDA Development's strategy is based on the following main principles:

- Maintaining its leading position in Greece in the development and management of commercial and leisure centres.
- Further expansion in the management and development of outlets, big boxes, second home developments, and, to a less extent, office buildings.
- Continuous improvement in the performance of the commercial and leisure centres currently in operation.
- Completion of the company's restructuring plan with the aim of focusing on real estate sectors.
- Intensification of efforts for new investments in Central Eastern Europe.
- Strengthening of strategic alliances with international and Greek companies in the industry.
- Optimum balance of risk reward ratio for each investment.
- Pursue the establishment of a closed-end property fund in Central Eastern Europe, including third-party investor participation and management by LAMDA Development

With dedication to the above principles, our goal is to succeed in the further NAV enhancement and improve the prospects for growth and expansion.

LAMDA Development's immediate goals for 2006 include:

- The Mall Athens to maintain its full commercialization (100%) and for Mediterranean Cosmos to achieve 100% commercialization (currently at 96%), thus strengthening their commercial success to date.
- To intensify efforts for the successful commercialization of ILIDA Business Centre and the sale of the remaining apartments in the ILIDA residential development.
- To complete Flisvos Marina's upgrading investment programme with the goal of achieving the marina's full operability by the end of 2006.
- To move forward with the Star Channel agreement for the construction of a building complex under the supervision of LAMDA Development.
- To improve LAMDA Shipyards operating results through a reduction of the company's operational expenses.
- To focus further on the company's involvement in real estate development. Within this context, LAMDA Development proceeded with the sale of total shares in ARGONAFITIS S.A. owned by 75% subsidiary company LAMDA Shipyards S.A. This sale improved consolidated results by €3.4 million.
- To hedge interest-rate risks by 90% from the company's total medium to long-term loan commitments at a consolidated level.



## Group Companies

### Basic Areas of Activity

#### Real Estate Development

The development of high quality real estate represents the principal strategic goal of LAMDA Development. Real estate development commits considerable capital, entails relatively high risk and aims at achieving a correspondingly high and rapid value.

Different yet intrinsically linked activities are included:

- Identification and purchase of property
- Business plan design and implementation
- Project management
- Financing
- Commercialization of project
- Property management



#### LAMDA Estate Development S.A.

The activities of LAMDA Estate Development, which was the vehicle for real estate development and project management of LAMDA Development, were reduced and concentrated under the corporate umbrella of LAMDA Development, in order to reinforce the monitoring and development of pending projects and new investments and simultaneously, achieve economies of scale.

At the end of 2005, the company's investments comprised two commercial and leisure centres with a total Gross Leasable Area (GLA) of 105,000 m<sup>2</sup>, four innovative residential complexes with a total buildable area of 97,990 m<sup>2</sup> and six office buildings totaling 39,321 m<sup>2</sup> of buildable area. It is noted that the sale of the APOLLO Business Centre, which amounts to 4,500 m<sup>2</sup> of office areas, was completed in 2005.



#### LAMDA TechnOL Flisvos Marina S.A.

LAMDA TechnOL Flisvos Marina S.A. was established in 2002 to develop, upgrade and manage Flisvos Marina for the next 40 years, with the goal of transforming it into an internationally competitive marina for yachts and mega-yachts. Within this framework, Flisvos Marina successfully catered to the mooring needs of VIP yachts during the ATHENS 2004 Olympic Games.

The company is jointly owned by LAMDA TechnOL Flisvos Holding S.A. (75%) and Tourism Development Company (25%). The principal shareholders of LAMDA TechnOL Flisvos Holding are LAMDA Development S.A. (45%) and the group of Technical Olympic S.A. (30%).

## Real Estate Investment

LAMDA Development is active in the real estate investment sector through its participation in Eurobank Properties REIC, as well as

through its subsidiary, LAMDA Prime Properties.



### Eurobank Properties REIC

On December 31, 2005, LAMDA Development owned a 13.20% share in Eurobank Properties S.A., in partnership with EFG Eurobank Ergasias and REIB Europe Investments Ltd (indirect subsidiary of Deutsche Bank AG). Eurobank Properties is a Real Estate Investment Company which became listed in the Athens Stock Exchange in April 2006.

Further to the IPO, LAMDA Development's participation amounted to 10.22%. Based on valuations from the Greek Body of Sworn In-Valuers on December 31<sup>st</sup> 2005, the company's portfolio included 27 properties valued at €271.3 million.



### LAMDA Prime Properties S.A.

LAMDA Prime Properties owns the Cecil office building (formerly the Cecil Hotel) with a total surface area of 6,000 m<sup>2</sup>.

In addition, the company owns a 3,600 m<sup>2</sup> plot of land in Kifissia.

### Kronos Business Centre / Kronos Parking S.A.

LAMDA Development and EFG Eurobank are respectively 80% and 20% owners of the Kronos Business Centre office building in Maroussi. The Kronos Business Centre is a highly modern office building that includes 4,000 m<sup>2</sup> of office space as well as underground parking. It is leased by the multinational companies Procter & Gamble Hellas and Hyatt Regency.

Kronos Parking S.A. owns the 12,000 m<sup>2</sup> underground parking centre of the same name and is located on Agiou Konstantinou Street in Maroussi. Kronos Parking offers 389 spaces and is in full operation. The demand for leased parking spaces by permanent clients (company spaces) surpasses 223 and the trend is constantly rising.

Real estate investment anticipates the surplus value that is created with the passage of time, and simultaneously aims to achieve higher returns from commercialization and

management of space. The goal of each investment is to maximise returns and minimise risks that are inherent in real estate development.

## Property Management



### LAMDA Property Management S.A.

LAMDA Property Management is a subsidiary of LAMDA Development which provides property management services. In December 2005, LAMDA Property Management was managing

properties that cover a total surface area of 118,000 m<sup>2</sup>, including office buildings and the residential developments of ILIDA, Xylocastro and Avra.

### ECE - LAMDA Hellas S.A. / MC Property Management S.A.

LAMDA Development has developed two strategic alliances for the management of commercial centres with the market leaders ECE and Sonae Sierra. LAMDA Development owns a 34% share in the company ECE-LAMDA Hellas S.A.

and a 25% share in the company MC Property Management S.A. These companies manage The Mall Athens and Mediterranean Cosmos respectively.

## Complementary Areas of Activity



### LAMDA Hellix S.A.

LAMDA Hellix, a subsidiary of LAMDA Development in the "wired real estate" sector, is Greece's first Neutral Mission Critical Facility operator.

LAMDA Hellix develops and operates specialized Mission Critical Facilities and provides a wide range of outsourcing services, including data centre, disaster recovery, point of presence and switching centre, to large private and public

organizations and service providers in Greece and Southeastern Europe. LAMDA Hellix enables organizations with mission critical applications, whether IT or telecommunications, to increase the security and availability of their systems, reduce all associated risks and operating costs, while maintaining their autonomy.



### LAMDA Shipyards and Marine Services S.A.

LAMDA Shipyards and Marine Services S.A. is a modern shipyard and yacht maintenance and refurbishment unit, active in the provision of specialised and integrated ship maintenance and repair services for luxury yachts, merchant ships and every type of vessel.

The company's premises in Elefsina, at the 27th kilometre of the old national highway from Athens to Corinth, cover a total area of 90,000 m<sup>2</sup>.



## Real Estate Development Investments

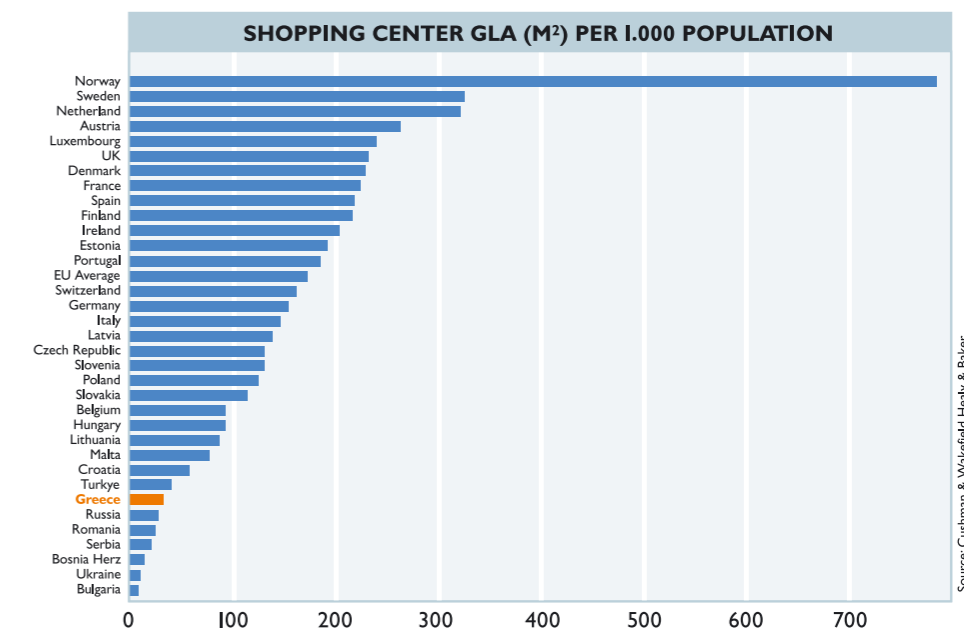
### Commercial & Leisure Centres

Two opposite business realities create favourable conditions for investments in commercial and leisure centres in Greece. At the same time when the percentages of Gross National Product (GNP) and consumer spending are maintained at levels higher than the European average, the percentage of Gross Leasable Area – per 1,000 inhabitants – for commercial centres remains the lowest in Europe. Further indication of this reality is the fact that the number of foreign investors interested in pursuing this particular market is increasing despite the lack of available “business product.”

The development and operation of the first two commercial and leisure centres in Greece by LAMDA Development set new standards in this

sector. In 2005, more than 20 new retail companies entered the Greek market and most of them leased space at the commercial centres The Mall Athens and Mediterranean Cosmos.

The significant response from consumers at both commercial and leisure centres from the very first days of operation, determined the course of success for this new business product. The experience from the operation of the two first commercial and leisure centres contributed to the improvement of the nation’s image as a credible investment destination for large capital and created additional incentives for international investments. Furthermore, these two investments alone have created more than 5,000 new permanent employment opportunities.



# The Mall Athens



The innovative – and largest in Greece – commercial and leisure centre The Mall Athens opened its doors to the public in November 2005, offering more than 200 commercial and entertainment choices on 100,000 m<sup>2</sup> of surface area and 90,000 m<sup>2</sup> of underground areas.

The fair market value of the property reached €350 million. The centre was almost fully leased from the first day of operation whilst the frequency of visits from the very first months was particularly satisfactory. The annual gross income is estimated to reach €23.7 million.

Visitors of The Mall Athens enjoy approximately 200 commercial units, 25 restaurants and cafes, an innovative 15-screen cinema complex, a multitude of support services as well as 2,065 parking spaces.



The Mall Athens is easily accessible from the main highway routes such as Attiki Odos highway and Kifissias Avenue and public transport such as Suburban Railway and METRO subway networks, the Athens Urban Transport Organization (bus service) and the Amaroussion Municipal Transportation bus service.

The company ECE-LAMDA Hellas S.A., specialising in the provision of property management services for commercial and leisure centres around

the world, has been assigned the management of the centre, with a primary goal of ensuring smooth and effective daily operations. In particular, the company ensures the optimum functionality of the shops, both as individual units and as a whole, in order to enable the centre to respond as a single integrated entity to visitors' demands, and also to monitor and adapt to market developments. The centre has created more than 2,500 employment opportunities.



With respect to legal issues that have ensued relating to this particular investment the following is noted:

As a result of a decision of the Council of State that annulled the Joint Ministerial Degree regarding building conditions for the Media Village, law 3207/2003 was issued including new, revised regulations. Under this law, the investment acquired the relevant construction permit.

Following the above, two applications for annulment have been filed by residents as well as applications for the suspension of work. One application for annulment opposes the actual law whilst the other opposes the construction permit. The company's point of view is that the 2003 law in force has taken into consideration the decisions of the Council of State and thus, is in compliance with the Constitution.

Today, the matter is pending, whilst the seven-member committee of the Fifth Department of the Council of State, on 3/5/2006, judged the annulment applications against law 3207/2003 and the approval of the studies submitted by LAMDA Olympia Village to the Greek Ministry of Environment, City Planning and Public works for the entire project. The judge responsible in charge of both files submitted the opinion that both applications should be rejected as unacceptable, with reservations.

Finally, with regard to the matter involving the Workers' Housing Organization (WHO), the transfer of the property in Maroussi by WHO to LAMDA Olympia Village, on which The Mall Athens is situated, has been concluded, according to the provisions of Article 40 of law 3342/2005.

## Mediterranean Cosmos



Mediterranean Cosmos began its operations in October 2005 as the first and largest commercial and leisure centre of its kind in Northern Greece. Offering a combination of shopping, entertainment and cultural activities at a strategic location in Pylea, southeast of Thessaloniki, the centre became a main attraction point from its first few months of operation for residents, international visitors and tourists.

The annual gross income based on full commercialization is estimated to reach €14 million. An investment valued at approximately €120 million, Mediterranean Cosmos was developed in collaboration with an international leader in similar developments, Sonae Sierra. The joint venture Sierra-Charagionis S.A. in Greece participates with a 39.9% stake in the investment since June 2002.



Mediterranean Cosmos stands on a site owned by the Ecumenical Patriarchate, covering a total surface area of 250,000 m<sup>2</sup> and has been developed on two main levels that are serviced by interior pedestrian pathways, offering approximately 3,000 above-ground parking spaces.

The centre provides easy access from the city centre and surrounding areas, and is just five minutes away from the "Makedonia" international airport, major highways, junction points and five-star hotels.

Mediterranean Cosmos offers a wide range of shopping choices and high-calibre services for all ages. 210 retail units cover approximately 63,000 m<sup>2</sup> of surface area, which includes 37 restaurants and cafes, an 11-screen multiplex cinema and supermarket. The centre gathers the most important international and Greek retail brands and offers a multitude of support services.

Finally, a traditional "Greek village" has been created at Mediterranean Cosmos that is comprised of a church, traditional restaurants and a small, open amphitheatrical square with a capacity of 400 seats, where concerts, dance performances and other cultural activities can be staged.

Constituting one of the most significant private investments in Northern Greece, Mediterranean Cosmos created 2,500 new jobs, whilst it contributes systematically to the growth and development of the broader region.



## Other Developments



### ILIDA Innovative Residential Complex, Maroussi - Attica

LAMDA Olympia Village S.A., a subsidiary of LAMDA Development, undertook the development of the innovative residential complex ILIDA in Maroussi Attica. ILIDA comprises 241 apartments and is being developed on three neighbourhood blocks covering approximately 60,000 m<sup>2</sup>. The complex also includes underground parking and storage areas to serve residents, as well as gardens for each owner and natural green areas for common use.

ILIDA represents an attractive residential proposition for modern lifestyle in Attica, as it gives residents the opportunity to live in a well-planned, spacious neighbourhood that offers up-market apartments, expanses of green and landscaped areas, tree-lined pedestrian-friendly streets, security and property management services. Sales of the residences are progressing and 153 apartments had been sold at the end of April 2006.

ILIDA constitutes four pedestrian neighbourhoods situated in the shape of a "horseshoe," 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 highways and public transportation points including the Attiki Odos highway, Kifissias Avenue, METRO subway, Athens Urban Transport Organisation (city bus service), Suburban Railway network and Amaroussion Municipal Transportation (local bus service).

During the 2004 Olympic Games, ILIDA successfully accommodated the needs of international journalists as the "ATHENS 2004" Olympic Media Village.





### Avra Luxury Residential Complex, Kifissia - Attica



LAMDA Estate Development developed a modern residential area in Kefalari, in the suburb of Kifissia, Athens. 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. By the end of April 2006, 20 apartments had been sold.



### Holiday Residential Complex, Xylocastro - Corinth

LAMDA Estate Development has developed a holiday residential complex on a 10,000 m<sup>2</sup> coastal property in Xylocastro, Corinth. Adjacent to a 15,000 m<sup>2</sup> municipal park and sports complex located near an attractive marina, the complex offers large expanses of green areas, security services, ample parking space, a large swimming pool and impressive sea views. The Xylocastro complex is located close to Athens (only 120 km away), while the Suburban Railway Network ensures quick and easy access. The complex has been operating since June 2004 and by the end of 2005, 55% of the apartments had been sold.

In December 2005, the company transferred the total 51% of its share capital owned by subsidiary company LAMDA Estate Development to the company GI & KATASKEVI.



### Office Building, Bucharest - Romania

Luxury office building with a total surface area of 6,700 m<sup>2</sup> across eight levels. The plot, with a surface area of 1,050 m<sup>2</sup>, is located on a highly visible location on the main highway route that connects the centre of Bucharest with the airport.

Over the past few years, this particular area has practically monopolized the interest of all development companies active in Romania as it attracts the majority of large multinational companies as well as a large part of residential developments.

The building offers parking spaces on two underground levels with a surface area of 2,000 m<sup>2</sup> as well as all modern technical specifications. The project developer is LAMDA MED, in which LAMDA Development Romania Srl participates

with 40%, whilst 60% is owned by private investors. The building is currently under construction and is scheduled to be completed in September 2007.



### ILIDA Business Centre, Maroussi - Attica

Luxury business centre with a total surface area of 12,960 m<sup>2</sup> across six levels. Developed on a plot of approximately 10,000 m<sup>2</sup> in Maroussi, the business centre is adjacent to the Olympic Stadium and situated on Kifissias Avenue, where most of the largest multinational and Greek companies are located. The location provides easy access to main highway routes (Kifissias Avenue, Attiki Odos highway) as well as public transport (Railway Network, Suburban Railway Network, METRO subway).

The construction of the building is completed based on the most modern specifications. Parking is particularly easy as ILIDA Business Centre provides 113 underground and 210 above-ground spaces.



The project developer is LAMDA Olympia Village, in which LAMDA Development participates with 98.48%.

## Flisvos Marina



In 2002, LAMDA TechnOL Flisvos Marina S.A. was awarded the 40-year concession for the management and upgrading of Flisvos Marina in Faliro, which is located only 6 km from the centre of Athens. The company's investment plan is to transform Flisvos into a premier marina in the Southeastern Mediterranean.

LAMDA TechnOL Flisvos Marina is implementing a €45 million investment plan to upgrade the land and marine infrastructure and facilities. The construction of new piers and floating docks will expand the marina's current capacity above

300 berths from 180. More than 50% of these new spaces will accommodate mega yachts exceeding 30 metres in length.

LAMDA TechnOL Flisvos Marina will upgrade all facilities and services at Flisvos Marina to create a high-standard facility that will achieve world-class standing and cater comprehensively to the needs of clients with large luxury vessels.



The upgrading plan for the 20-year-old facilities of the Flisvos Marina is scheduled for completion during the last quarter of 2006. The investment also includes a 3,000 m<sup>2</sup> development for the provision of supportive services to yacht owners and marina visitors, who will enjoy a diverse array of shopping, dining, leisure and athletic activities in a richly landscaped area.

In August 2004, following the completion of the first phase of the upgrading programme, Flisvos Marina successfully hosted VIP guests of the "ATHENS 2004" Olympic Games Organising Committee.

Regarding Flisvos Marina's legal issues, three annulment applications have been submitted against the approval of environmental measures. One application requests the suspension of works, whilst one other application, which was submitted by the Municipality of Paleo Faliro,

resulted in the temporary suspension of works. However, in January 2006, the Municipality withdrew its application thereby allowing the continuation of upgrading work. The hearing of the other two applications has been set for June 2006. LAMDA TechnOL Flisvos Marina has submitted memorandums relating to the matter to the Council of State.

A significant part of the Flisvos Marina investment programme pertains to the protection of the marina, and thus, completion of the upgrading programme is imperative. Upon completion, Flisvos Marina will contribute to attracting and servicing upscale tourism in Greece. Finally, all land improvements have been designed to conform to environmental protection regulations.



## Corporate Governance

LAMDA Development management adheres to the principles of corporate governance, which are not only essential for monitoring management decisions and actions, but also for protecting the vested interests of shareholders. LAMDA Development has applied the principles and processes of corporate governance since its

inception, long before these were introduced to Greece, through law 3016, based on the regulatory framework and internationally recognised criteria, such as those applied by companies listed on stock exchanges abroad.

### 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 Kallatzis and Mr. Spyridonas Theodoropoulos, one of which is a non-executive and independent member of the Board of Directors.

### Human Resources Committee

During 2004, the Human Resources Committee was formed, comprising three members of the Board of Directors, Mr. Apostolos Tamvakakis,

Mr. Fotios Antonatos and Mr. Dimitris Papalexopoulos. The Committee is responsible for overseeing the 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 corporate 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 is assumed by the Internal Audit Department (Ms. Maria Rontogianni departed on 7/4/2006 and, on the

same date, internal audit responsibilities were assumed by Ms. Maria Papakonstantinou) and is supported by specialist external consultants, when deemed necessary.

The support from external consultants further assures that the necessary technical know-how is provided for the company's specialised fields of business activity. The internal audit strategy ensures that all major LAMDA Development companies are audited at least once a year, while specific investments are audited selectively, based on performances that could impact the company's results significantly.

## 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. Mr. Alexandros Kokkidis is responsible for the department.

The department oversees 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 relevant authorities (Athens Stock Exchange and Securities and Exchange Commission).

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

Executive Chairman  
(from 13/05/04 to 26/05/06)  
Chairman and Chief Executive Officer  
(as of 26/05/06)

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 DELTA HOLDINGS S.A., the Foundation for Economic and Industrial Research and TITAN CEMENT CO.

### Lambros G. Anagnostopoulos

Chief Executive Officer  
(departed on 11/05/2006)

Mr. Anagnostopoulos is a graduate of naval architecture, marine and mechanical engineering from the National Technical University of Athens. He has received post-graduate degrees in shipping at MIT and in management at the MIT Sloan School of Management. Between 1988 and 1992, Mr. Anagnostopoulos worked as a management consultant in the USA and Great Britain. Since 1992, he has been an executive of the Latsis Group, based in Geneva, where, among others, he directed the Group's project planning and development department. Mr. Anagnostopoulos was Chief Executive Officer and Member of the BoD of LAMDA Development since the company's foundation in 2000.

### 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  
(as of 26/05/2006)

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 Forestall 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 has been 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 Price Waterhouse. His collaboration with the Latsis Group began 22 years ago.

**Anastasios Livieratos**

Member

(departed on 01/06/2005)

With a degree in Economics from the School of Economics and Commercial Studies (ASOEE), Mr. Livieratos was Deputy Chairman and Deputy C.E.O. of ERMIS S.A. from 1974 to 1982 and Deputy Chairman and C.E.O. of the same company from 1982 to 1999. He was also C.E.O. of KEKROPS S.A. from 1995 to 1999. Both ERMIS and KEKROPS are ASE-listed real estate companies.

**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 Greece, 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

Mr. Papalexopoulos was born in Athens in 1962. He is a graduate of electrical engineering from the Federal Polytechnic of Zurich (Dipl. EL-Ing. ETH, 1985) and holds an MBA from Harvard University. He worked as a business consultant with McKinsey & Company Inc. from 1987 to 1989 in the USA and Germany. From 1991 he has been working in various financial positions at TITAN Cement S.A. and, since 1996, he has served as the company's Chief Executive Officer. He is a Member of the BoD for the Hellenic Harvard Foundation, the Federation of Greek Industries, the Foundation for Economic and Industrial Research and the Hellenic-American Educational Foundation.

**Spyridon Theodoropoulos**

Member

(as of 01/06/2005)

Mr. Theodoropoulos is a graduate of the School of Economics and Commercial Studies (ASOEE). 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 and as of 2000, he is Chairman of the BoD. Mr. Theodoropoulos is also Vice President of the BoD of the Federation of Greek Industries, Member of the Administration Committee of the Association of the Listed Companies on the ASE, Member of TITAN CEMENT CO. and DELTA Holding S.A. as well as Member of the Entrepreneurship Association.

**Employee Benefits**

LAMDA Development has implemented 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 2005, LAMDA Development conducted a series of training and development programmes aimed at responding to the professional needs

of employees, thus contributing to their continuous growth and development and helping them respond effectively 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.

All buildings are developed only 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 cycle". LAMDA Development strives to provide natural sound insulation, while upgrading the surrounding natural environment of all its investments.

**Contribution to local community development**

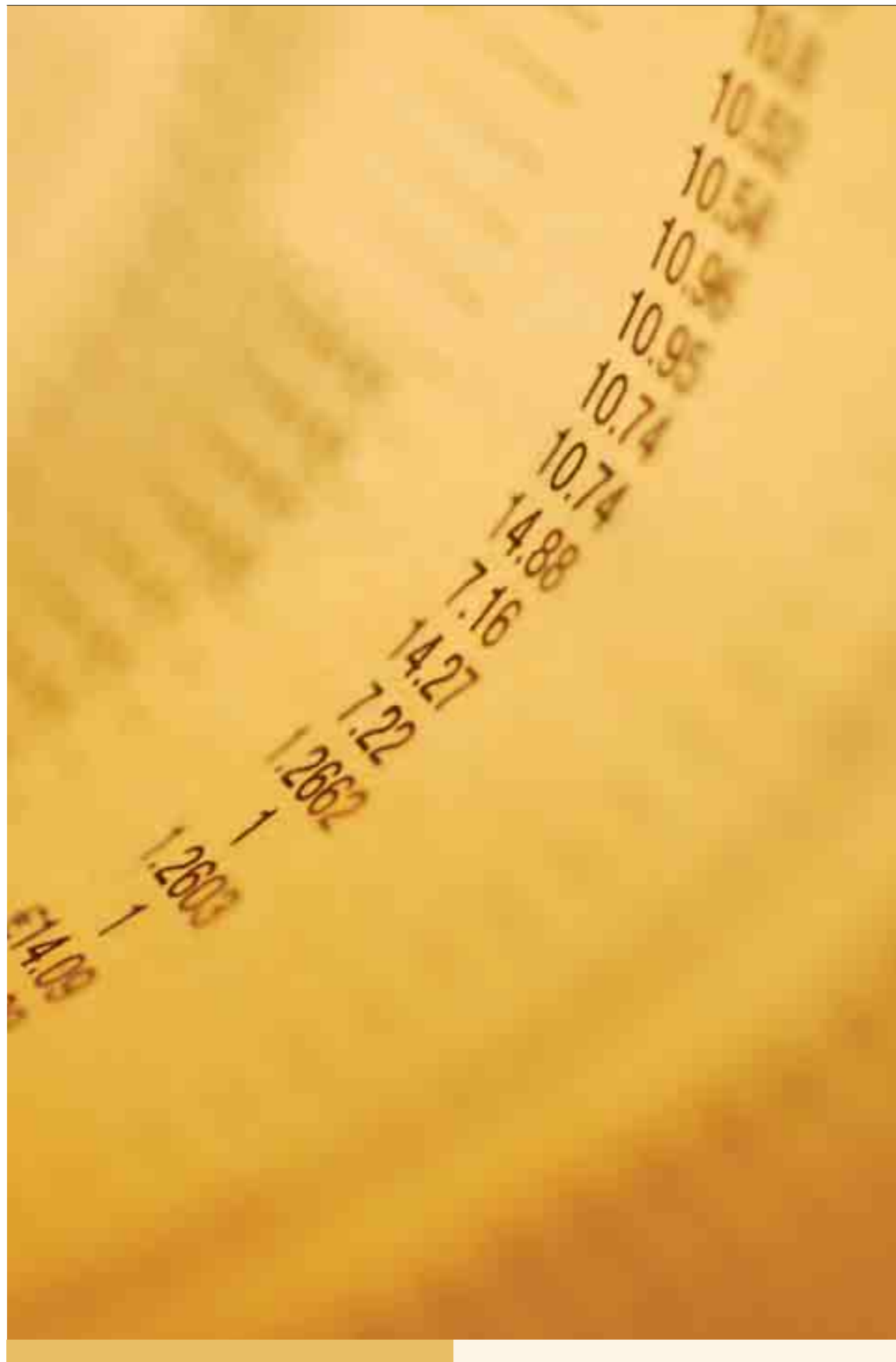
Our fundamental objective is for our investments to create conditions conducive for development and prosperity not only for our clients, but also for the local communities in which we operate. We always aim, to the greatest possible extent, to hire personnel from local communi-

ties throughout the implementation of our investments, such as in the development of Mediterranean Cosmos in Thessaloniki. We also strive to create a network of local suppliers that contributes to the overall economic development of the area.

# Financial Statements 2005

(in accordance with International Financial Reporting Standards - IFRS)

- LAMDA Development S.A.**
- LAMDA Estate Development S.A.**
- LAMDA Prime Properties S.A.**
- Eurobank Properties REIC**
- LAMDA Olympia Village S.A.**
- LAMDA Shipyards and Marine Services S.A.**





# LAMDA DEVELOPMENT S.A.

Figures and information for the year ended December 31, 2005  
 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 LAMDA DEVELOPMENT S.A. and LAMDA DEVELOPMENT S.A. GROUP. 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.

Headquarters: Laodikeias 16 & Nimitiatou, 11528 Athens  
 Number in the Register of Societies Anonymes: 3039/06/B/66/28  
 Main activity: Holding and Real Estate Development  
 Audit Authority: Ministry of Development, Department of Anonymes Companies  
 Date of Financial Statement's Approval: 17/03/2006  
 Certified Auditor Public Accountant: Mikaelas Konstantinos (SOEL Reg.No. 17701)  
 Auditor Company: PRICEWATERHOUSECOOPERS  
 Type of Audit Report: No qualification- With emphasis issue

Board of Directors  
 Chairman of the Board: Apostolos S. Tamvakakis  
 Vice President: Lambros G. Anagnostopoulos  
 Chief Executive Officer: Emmanuel Leonard Bussetil  
 Members: Petros P. Kalantzis  
 Dimitrios Th. Papalexopoulos  
 Fotios S. Antonatos  
 Spiridon I. Theodoropoulos

## Balance sheet (Amounts in €)

	Group		
	31.12.2005	31.12.2004	31.12.2004
<b>ASSETS</b>			
Non-current assets	656,845,056	331,583,960	7,320,271
Investments in subsidiaries	34,770,662	22,010,567	221,304,548
Inventories	80,939,513	103,639,834	-
Trade and other receivables	77,112,115	68,741,276	20,689,627
Other assets	6,159,409	6,929,148	400,558
Cash and cash equivalents	36,829,823	24,408,860	1,130,951
<b>Total Assets</b>	<b>892,656,578</b>	<b>557,323,645</b>	<b>250,855,955</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

Non-Current liabilities	172,667,887	48,018,847	9,111,321
Short-term borrowings	237,047,926	162,227,065	14,000,000
Other current liabilities	176,094,326	131,245,123	36,017,032
<b>Total liabilities (a)</b>	<b>585,810,139</b>	<b>341,491,035</b>	<b>69,729,887</b>
Share Capital	235,878,092	234,837,110	234,837,110
Other reserves	5,963,471	4,228,288	4,630,688
Retained earnings / (Accumulated losses)	21,585,395	(60,211,329)	(52,863,652)
<b>Total shareholders' equity (b)</b>	<b>263,446,958</b>	<b>178,854,069</b>	<b>181,126,068</b>
<b>Minority Interests (c)</b>	<b>43,399,481</b>	<b>36,978,541</b>	-
<b>Total Equity (d) = (b) + (c)</b>	<b>306,846,439</b>	<b>215,832,610</b>	<b>181,126,068</b>
<b>Total Liabilities &amp; shareholders equity (e) = (a) + (d)</b>	<b>892,656,578</b>	<b>557,323,645</b>	<b>250,855,955</b>

## Statement of changes in equity (Amounts in €)

	Group		
	31.12.2005	31.12.2004	31.12.2004
Shareholder's Equity at the beginning of the period (1/1/2005 & 1/1/2004)	215,832,610	186,489,131	180,672,723
Net profits for the period after taxes	88,033,883	8,023,217	34,362
	303,866,493	194,512,348	180,707,084
Currency translation differences	1,698,662	(1,282,434)	-
Increase / (Decrease) in Share Capital	1,040,982	418,984	418,984
Share capital issue	1,197,000	20,696,777	-
Sale of Subsidiaries	(1,572,066)	-	-
Change in subsidiary shareholdings	615,397	1,466,935	-
<b>Period shareholder's Equity at period end (31/12/2005 and 31/12/2004)</b>	<b>306,846,439</b>	<b>215,832,610</b>	<b>181,126,068</b>

## Income statement (Amounts in €)

	Group		
	1.01-31.12.2005	1.01-31.12.2004	1.01-31.12.2004
<b>Sales</b>	<b>72,703,601</b>	<b>74,600,734</b>	<b>6,090,669</b>
<b>Gross Profit</b>	<b>(1,687,695)</b>	<b>2,716,190</b>	<b>389,781</b>
Fair value gains / losses of investment property	159,325,055	-	(45,000)
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>	<b>144,801,103</b>	<b>4,277,878</b>	<b>8,257,718</b>
<b>Earnings before interest and taxes</b>	<b>141,653,489</b>	<b>1,177,836</b>	<b>7,863,352</b>
<b>Profit before taxes</b>	<b>135,519,749</b>	<b>(767,369)</b>	<b>5,519,267</b>
Minus: Taxes	(47,485,866)	8,790,586	(41,189)
<b>Profit for the period</b>	<b>88,033,883</b>	<b>8,023,217</b>	<b>5,478,078</b>

Attributable to:  
 Shareholders 80,604,183 7,986,248  
 Minority Interest 7,429,699 36,969

**88,033,883**

**8,023,217**

**Earnings per share for profit attributable to the shareholders of the company during the year (expressed in € per share)**

Basic 1,841 0,183 0,001  
 Diluted 1,835 0,183 0,001

## Additional records and accounts

### 1. Group's Composition

Company name	% Participation Of the Parent Company	Company name	% Participation Of the Parent Company
LAMDA DEVELOPMENT S.A.		LAMDA DEVELOPMENT S.A.	
LAMDA ESTATE DEVELOPMENT S.A., Athens	100,00%	Full Consolidation	
KRONOS PARKING S.A., Athens	100,00%	Indirect	
LAMDA PRIME PROPERTIES S.A., Athens	100,00%	Indirect	
LAMDA SHIPYARDS & MARINE SERVICES S.A., Elefsina	75,00%	Indirect	
ARGONAYTIS S.A., Elefsina	75,00%	Indirect	
PYLAA S.A., Athens	60,10%	Indirect	
LAMDA TECHNIOL FLISVOS HOLDING S.A., Athens	45,00%	Indirect	
LAMDA TECHNIOL FLISVOS MARINA S.A., Athens	33,75%	Indirect	
LAMDA ERGA ANAPTYXIS S.A., Athens	100,00%	Indirect	
LAMDA DOMI S.A., Athens	100,00%	Indirect	
LAMDA PROPERTY MANAGEMENT S.A., Athens	100,00%	Indirect	
LAMDA HELIX S.A., Athens	85,00%	Indirect	
LAMDA OLYMPIA VILLAGE S.A., Athens	98,48%	Indirect	

## Cash Flow Statement (Amounts in €) - indirect method

	Group		
	1.01-31.12.2005	1.01-31.12.2004	1.01-31.12.2004
<b>Cash flows from operating activities</b>			
Profits before taxes	135,519,750	(767,369)	(605,428)
Adjustments for:			
Depreciation	3,147,614	3,100,042	427,241
Provisions	7,612,705	10,954,820	375,935
Currency translation (gains) / losses	1,698,662	(1,282,434)	-
Fair value gains / (losses) of investment property	(159,325,055)	-	-
Share option scheme	521,924	-	-
Results from investing activities	(9,798,747)	(4,589,858)	(3,622,844)
(Revenues, Expenses, Profits, Losses)	6,361,149	2,516,322	1,216,357
Interest expenses	-	-	-
Changes in working capital:			
Decrease in inventories	10,090,929	11,499,450	-
Decrease / (increase) in receivables	(13,665,328)	(23,565,439)	(7,537,436)
Increase / (decrease) in payables	6,247,526	26,324,305	(11,149,923)
Minus:			
Interest expenses paid	(6,482,764)	(2,516,322)	(1,216,357)
Income tax paid	(3,843,337)	(3,307,880)	(580,989)
<b>Net cash flow from operating activities (a)</b>	<b>(21,894,972)</b>	<b>18,387,637</b>	<b>(1,014,316)</b>
<b>Cash flows from Investing Activities</b>			
Acquisition of shares in investments	(22,011,008)	-	(49,852,705)
Proceeds from sale of shares in investments	17,345,766	5,508,442	2,000,000
Purchase of property, plant, equipment and investment property	(128,444,774)	(179,123,200)	(1,367,811)
Proceeds from sale of property, plant, equipment and investment property	2,635,240	-	2,906,955
Interest received	206,935	560,413	13,400
Proceeds from investments / Dividends received	294,000	1,157,356	898,950
<b>Net cash flows from investing activities (b)</b>	<b>(129,973,841)</b>	<b>(171,896,989)</b>	<b>(4,499,610)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issuance of ordinary shares	479,443	347,219	347,219
Borrowings received	288,012,688	142,003,711	37,295,628
Repayment of borrowings	(124,768,333)	(22,737,959)	(7,864,798)
Capital repayments of finance leases	(620,873)	(590,495)	-
Proceeds from issuance of shares of subsidiaries	1,197,000	20,696,777	-
Dividends paid to shareholders	(10,148)	(2,615,373)	(2,615,373)
<b>Net cash flows from financing activities (c)</b>	<b>164,289,777</b>	<b>137,103,880</b>	<b>29,900,124</b>
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>12,420,963</b>	<b>(16,405,472)</b>	<b>(30,970,277)</b>
Cash and cash equivalents at beginning of the period	24,408,860	40,814,332	1,130,951
<b>Cash and cash equivalents at end of the period</b>	<b>36,829,823</b>	<b>24,408,860</b>	<b>4,291,681</b>

2. The accounting principles adopted are consistent with the accounting principles adopted for the preparation of the financial statements for the year ended December 31, 2004.

3. The parent company participates with a percentage of 100% (Direct participation) in the companies LAMDA DEVELOPMENT DOO BEOGRAD which is not consolidated due to non-significant value. On 28/06/2005, the parent company transferred its participation in SWISSPORT LAMDA HELIX S.A. Consequently, SWISSPORT LAMDA HELIX S.A. and its subsidiary companies SWISSPORT HELIX GARGO S.A. and WSW SKYCAP SERVICES S.A. are consolidated in the income statement until the date of share transfer. On 29/12/2005 the company LAMDA ESTATE DEVELOPMENT S.A. transferred its participation in GH & KATASKEVI S.A. consequently GH & KATASKEVI S.A. is consolidated in the income statement until the date of share transfer. On August 10th 2005, the parent company transferred 16.7% of EFG Eurobank Properties S.A. total share capital, thus reducing its participation to the aforementioned company from 29.9% to 3.2% of the total of EFG Eurobank Properties S.A. shares. The above percentage was sold to EFG Eurobank Ergasias S.A. at the price of € 12,497,916 which might be adjusted upwards or downwards according to the terms of agreement between the parties, if and when EFG Eurobank Properties S.A. shares are listed in Athens Stock Exchange. Afterwards, the parent company participated in the share capital increase of the above company, by disbursing the amount of € 21,114,486, without changing its participation percentage.

4. Real estate liens and pre-notices, amount to € 442,045,341 concerning guaranties for bank loans

5. The parent company and LAMDA SHIPYARDS & MARINE SERVICES S.A., have been audited by the tax authorities year-end 2002. LAMDA ESTATE DEVELOPMENT S.A. has been tax audited until the year-end 2003. EFG Eurobank Properties (subsidiary company) and LAMDA PRIME PROPERTIES S.A., have been audited until the year-end 2004. The other subsidiary companies of the Group have not been audited by the tax authorities since the year 2003. Consequently, Group's tax liabilities are not yet considered final.

6. The account "Trade and other Receivables" includes € 40.8 m approximately, concerning receivables against Greek State, for the reimbursement of VAT related to construction cost for the Shopping Centers.

7. The subsidiary company Lamda Technol Flisvos Marina S.A. is on the procedure of arbitration with the company ETA S.A. not only for the demand of 7.8 million but also for the liability of 8.9 million. In addition, for the subsidiary company outstanding bla in abatements in the slight of State of Council regarding the expansion and the development of the Marina. The company expects a successful issue of the cases mentioned above.

8. The transfer of property's title deeds to LAMDA OLYMPIA VILLAGE S.A. deriving from total purchase of 38 million completed on 02.01.2005.

9. The average number of company's employees was at the end of the current period, 273 for the Group in total of which 83 for the Company.

10. 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 financial.

11. Company sales to and purchases from affiliates from 01/01/2005 to 31/12/2005, amount (in thous.a.nds €) to € 18,035 and to € 553 respectively. The Company's payables to and receivables from the affiliates, on 31/12/2005, rose (in thous.a.nds €) to € 18,381 and to € 6,519 respectively. The Company's receivables from and payables to affiliates, on 31/12/2005, stand for (in thousands €) to € 18,381 and to € 6,519 respectively. The Group's inter-company sales and purchases (in thousands €) amount to € 13,675, and € 1,260 respectively, whilst inter-company receivables and payables amount (in thousands €) to € 193 and € 123,048 respectively.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

Athens, March 17th 2006

THE FINANCIAL DIRECTOR

THE ASSISTANT OF FINANCIAL MANAGER  
AND CHIEF ACCOUNTING MANAGER

APOSTOLOS S. TAMVAKAKIS  
I.D.No P 704691

LAMBROS G. ANAGNOSTOPOULOS  
I.D.No N 627134

ANTONIOS K. KAFFAS  
I.D.No S 272217

VASILIOS A. BALOUMIS  
I.D.No T 061891



# LAMDA ESTATE DEVELOPMENT S.A.

**Figures and information for the year ended December 31, 2005**  
*(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 Lamda Estate Development S.A. Before making any investment decision or any other transaction concerning the company, we advise the reader to visit the company's web-site ([www.Lamda-Development.net](http://www.Lamda-Development.net)) which presents the detailed financial statements to International Financial Reporting Standards, along with the external auditor's report.

Headquarters : Laodikleas 16 & Nimitaiou, 11528 Athens  
 Number in the Register of Societies Anonymes : 643/01/B/86/37(01)  
 Main Activity : Real Estate Development  
 Audit Authority : Ministry of Development, Department of Anonymes Companies  
 Date of Financial statement's Approval : 15/5/2006  
 Certified Auditor Public Accountant : Mikhalios Konstantinos (SOEL Reg.No. 17701)  
 Auditor Company : PRICEWATERHOUSECOOPERS  
 Type of Audit Report : Unqualified - with emphasis issue  
 Internet site : [www.Lamda-Development.net](http://www.Lamda-Development.net)

**Board of Directors**  
**Chairman of the Board :** Evaggelos I. Chronis  
**Vice president :** Georgios K. Papageorgiou  
**Chief Executive Officer :** Alexandros X. Dimakopoulos  
**Member :** Odysseas E. Athanasiou

## Balance Sheet (Amounts in €)

	31.12.2005	31.12.2004	Company
<b>ASSETS</b>			
Non-current assets	21.314.592,64	18.348.773,33	
Investments in subsidiaries	3.327.000,00	4.012.900,00	
Inventories	15.899.575,37	25.947.078,51	
Trade receivables	6.690.084,76	21.176.317,30	
Cash and cash equivalents	3.535.449,48	1.169.374,05	
Other assets	1.424.489,46	3.398.250,04	
<b>TOTAL ASSETS</b>	<b>52.191.191,71</b>	<b>74.052.693,23</b>	
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
Non-current liabilities	12.953.777,40	17.253.829,62	
Short-term borrowings	-	3.700.000,00	
Other current liabilities	1.574.704,29	16.868.365,51	
<b>Total Liabilities (a)</b>	<b>14.528.481,69</b>	<b>37.822.195,13</b>	
Share Capital	35.250.000,00	35.250.000,00	
Other reserves	2.412.710,02	980.498,10	
<b>Total Shareholders Equity (b)</b>	<b>37.662.710,02</b>	<b>36.230.498,10</b>	
<b>Total Liabilities and shareholders equity (c) = (a) + (b)</b>	<b>52.191.191,71</b>	<b>74.052.693,23</b>	

## Statement of changes in equity (Amounts in €)

	31.12.2005	31.12.2004	Company
<b>Shareholders equity at the beginning of the period (1/1/2005 and 1/1/2004)</b>	<b>36.230.498,10</b>	<b>39.072.920,97</b>	
Net profits for the period after taxes	1.960.962,07	1.740.077,13	
Dividends approved by the shareholders	(528.750,00)	(4.582.500,00)	
<b>Period shareholder's equity at period end (31/12/2005 and 31/12/2004)</b>	<b>37.662.710,02</b>	<b>36.230.498,10</b>	

## Income statement (Amounts in €)

	1.01 - 31.12.2005	1.01 - 31.12.2004	Company
<b>Sales</b>	<b>18.869.400,00</b>	<b>12.832.467,99</b>	
<b>Gross Profit</b>	<b>4.039.551,00</b>	<b>1.478.318,25</b>	
Fair value gains / losses of investment property	2.960.601,00	-	
Earnings before interest, taxes, depreciation and amortization	5.735.287,26	968.789,46	
Earnings before interest and taxes	5.686.810,70	774.944,93	
<b>Profit before taxes</b>	<b>4.917.391,89</b>	<b>3.700,35</b>	
Minus : Taxes	(2.956.429,82)	1.736.376,78	
<b>Profit after taxes</b>	<b>1.960.962,07</b>	<b>1.740.077,13</b>	

## Cash Flow Statement (Amounts in €) - Indirect Method

	1.01 - 31.12.2005	1.01 - 31.12.2004	Company
<b>Cash Flows from operating activities</b>			
Profits before taxes	4.917.391,89	3.700,35	
Adjustments for :			
Depreciation	48.476,00	193.844,53	
Provision	115.272,80	(70.000,00)	
Currency translation differences	-	(10.704,00)	
Gains from sale of shares in investment	(56.100,00)	-	
Impairment on investment	207.000,00	-	
Fair value gains of investment property	(2.960.601,00)	-	
(Revenues) from investing activities	(43.273,17)	(130.454,74)	
Interest expenses	841.772,56	828.947,93	
Changes in working capital :			
Decrease in inventories	10.047.503,14	1.354.128,20	
Decrease in receivables	466.537,44	6.103.840,00	
Decrease in payables	(1.318.925,85)	(4.935.386,93)	
Minus :			
Interest expenses paid	(943.596,34)	(892.661,18)	
Income tax paid	(521.627,70)	(2.656.506,07)	
<b>Net cash flow from operating activities (a)</b>	<b>10.800.429,77</b>	<b>(211.251,91)</b>	
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant, equipment and investment property	(63.097,96)	(95.110,87)	
Proceeds from sale of property, plant, equipment and investment property	-	156.214,83	
Interest received	51.944,95	46.999,45	
Proceeds from investments / Dividends received	1.224.000,00	250.000,00	
Acquisition of shares in investment	(689.000,00)	-	
<b>Net cash flows from investing activities (b)</b>	<b>523.846,99</b>	<b>357.103,41</b>	
<b>Cash Flows from Financing Activities</b>			
Borrowings received	-	5.754.289,00	
Repayment of borrowings	(7.808.578,33)	(2.054.289,00)	
Capital repayments of finance leases	(620.873,00)	(417.328,22)	
Dividends paid to shareholders	(528.750,00)	(4.582.500,00)	
<b>Net cash flows from financing activities (c)</b>	<b>(8.958.201,33)</b>	<b>(1.299.828,22)</b>	
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>2.366.075,43</b>	<b>(1.153.976,72)</b>	
Cash and cash equivalents at beginning of the period	1.169.374,05	2.323.350,77	
<b>Cash and cash equivalents at the end of the period</b>	<b>3.535.449,48</b>	<b>1.169.374,05</b>	

## Additional records and accounts

- The Company has been audited by the tax authorities year-end 2003.
- Details of the Company's participation in subsidiaries:  

COMPANIES	% OF PARTICIPATION
KRONOS PARKING S.A.	100%
4K ANAPTSIKI AKINITOY S. A.	30%

According to the paragraph 10 IAS 27, the parent Company does not prepare consolidated financial statements in relation to its subsidiaries because it is subsidiary of Lamda Development S.A. company and the financial statements are included in that company.
- There are no real estate liens and pre-notices for the company.
- 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 financial.
- The average number of company's employees at 31/12/2005 was 21.
- The transactions of the Company in relation to its related parties are the following:  
 i) Sales of Services € 1.230.465  
 ii) Sales of goods and services € 197.731  
 iii) Receivables from related parties € 4.210.244  
 iv) Liabilities related to other parties € 39.575

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

Athens, May 15th 2006

THE FINANCIAL DIRECTOR

THE ACCOUNTANT

EVAGGELOS I. CHRONIS  
ID. No Σ 281286

ALEXANDROS X. DIMAKOPOULOS  
ID. No T 538734

VASILIOS A. BALOUMIS  
ID. No T 061891

PAYLOS N. KORNAROS  
ID. No Ε 282210





## Eurobank Properties REIC

### SUMMARY FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2005

(published according to Article 135 of the 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 Eurobank Properties REIC. 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, where the aforementioned information is published.

#### COMPANY'S DATA

**Registered office:** 16 Laodikias Street, Athens, GR 11528  
**Main Activity:** Management of Real Estate Portofolio  
**Register No.:** 365/06/B/86/2  
**Regulatory Authorities:** Ministry of Development  
**Date of approval of the annual financial statements (from which summary data were compiled):** 11/352/21.9.2005  
**Certified Auditor Accountant:** 7 February 2006  
**Audit firm:** Kyrnakos Riris  
**Auditors opinion:** PricewaterhouseCoopers S.A.  
**Company's website:** Unqualified  
<http://www.eurobankproperties.gr>

#### Board of Directors :

Haralambos Kyrkos  
 Lambros Anagnostopoulos  
 Nikolaos Galeias  
 Aristotelis Karytinos  
 Christoforos Papachristophorou  
 Dimitrios Serbetis  
 Spyridon Makridakis

Chairman  
 Vice Chairman  
 Executive Member  
 Executive Member  
 Non Executive Member  
 Independent Non Executive Member  
 Independent Non Executive Member

#### BALANCE SHEET INFORMATION AS AT 31 DECEMBER 2005

	Group			Company		
	31 Dec 2005	31 Dec 2004	31 Dec 2005	31 Dec 2004	31 Dec 2004	31 Dec 2004
<b>ASSETS</b>						
Investment Property	213.417	203.355	213.417	203.355	203.355	
Interest in joint venture	0	4.838	0	1.800	1.800	
Property, plant and equipment	54.804	1.344	54.804	1.344	1.344	
Other non-current assets	89	1.279	89	1.279	1.279	
<b>Total non-current assets</b>	<b>268.310</b>	<b>210.816</b>	<b>268.310</b>	<b>207.778</b>	<b>207.778</b>	
Trade and other receivables	4.500	3.334	4.500	3.334	3.334	
Cash and cash equivalents	37.982	10.262	37.982	10.262	10.262	
<b>Total current assets</b>	<b>42.482</b>	<b>13.596</b>	<b>42.482</b>	<b>13.596</b>	<b>13.596</b>	
<b>TOTAL ASSETS</b>	<b>310.792</b>	<b>224.412</b>	<b>310.792</b>	<b>221.374</b>	<b>221.374</b>	
<b>EQUITY</b>						
Share capital	40.235	14.991	40.235	14.991	14.991	
Share premium	153.923	20.303	153.923	20.303	20.303	
Other reserves	3.370	2.925	3.370	2.925	2.925	
Retained earnings	61.440	41.791	61.440	38.753	38.753	
<b>LIABILITIES</b>	<b>258.968</b>	<b>80.010</b>	<b>258.968</b>	<b>76.972</b>	<b>76.972</b>	
Deferred Income	290	319	290	319	319	
Borrowings, including finance leases	41.149	82.198	41.149	82.198	82.198	
Deferred tax liabilities	0	10.915	0	10.915	10.915	
<b>Total non-current liabilities</b>	<b>41.149</b>	<b>93.113</b>	<b>41.149</b>	<b>93.113</b>	<b>93.113</b>	
Trade and other payables	4.106	3.110	4.106	3.110	3.110	
Dividends payable	2.954	0	2.954	0	0	
Current Income tax liabilities	1.648	1.213	1.648	1.213	1.213	
Borrowings, including finance leases	1.677	46.647	1.677	46.647	46.647	
<b>Total current liabilities</b>	<b>10.385</b>	<b>50.970</b>	<b>10.385</b>	<b>50.970</b>	<b>50.970</b>	
<b>TOTAL LIABILITIES</b>	<b>51.924</b>	<b>144.402</b>	<b>51.924</b>	<b>144.402</b>	<b>144.402</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>310.792</b>	<b>224.412</b>	<b>310.792</b>	<b>221.374</b>	<b>221.374</b>	

#### INCOME STATEMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2005

	Group			Company		
	1.1 - 31.12.05	1.1 - 31.12.04	1.1 - 31.12.04	1.1 - 31.12.05	1.1 - 31.12.04	1.1 - 31.12.04
<b>Continuing Operations</b>						
Revenue	16.864	16.003	16.003	16.864	16.003	16.003
Net gain from fair value adjustment on investment property	7.269	2.955	2.955	7.269	2.955	2.955
Gain on disposal of investment property	15	0	0	15	0	0
Loss on disposal of interest in joint venture	-3.543	0	0	0	0	0
Repair and maintenance costs	-115	-81	-81	-115	-81	-81
Management fees	-1.351	0	0	-1.351	0	0
Other direct property related expenses	-645	-636	-636	-645	-636	-636
Employee benefit expense	-205	-396	-396	-205	-396	-396
Depreciation of property, plant and equipment	-52	-22	-22	-52	-22	-22
Interest Income	246	133	133	246	133	133
Other income	832	188	188	832	188	188
Other expenses	-1.005	-723	-723	-1.005	-723	-723
<b>Operating profit</b>	<b>18.310</b>	<b>17.421</b>	<b>17.421</b>	<b>21.853</b>	<b>17.421</b>	<b>17.421</b>
Finance costs	-3.044	-8.175	-8.175	-3.044	-8.175	-8.175
Share of profit from joint venture	15.771	10.047	10.047	15.771	10.047	10.047
<b>Profit before income tax from continuing operations</b>	<b>8.262</b>	<b>714</b>	<b>714</b>	<b>8.262</b>	<b>714</b>	<b>714</b>
Income tax relief	24.033	10.761	10.761	24.033	10.761	10.761
<b>Profit from the year from continuing operations</b>	<b>0</b>	<b>4.040</b>	<b>4.040</b>	<b>0</b>	<b>4.040</b>	<b>4.040</b>
<b>Discontinued operations</b>						
Profit for the year from discontinued operations	24.033	14.801	14.801	24.033	14.801	14.801
<b>Profit for the year</b>	<b>24.033</b>	<b>14.801</b>	<b>14.801</b>	<b>24.033</b>	<b>14.801</b>	<b>14.801</b>
<b>Earnings per share - basic and diluted (expressed in € per share)</b>						
- From continuing operations	2.10	1.53	1.53	2.10	1.53	1.53
- From discontinued operations	0.00	0.57	0.57	0.00	0.57	0.57

#### STATEMENT OF CHANGES IN EQUITY

	Group			Company		
	1.1-31.12.05	1.1-31.12.04	1.1-31.12.04	1.1-31.12.05	1.1-31.12.04	1.1-31.12.04
Balance at 01.01.2005 and 01.01.2004	80.010	68.446	76.972	66.209	66.209	
Profit for the year	24.033	14.801	27.071	14.000	14.000	
Proceeds from share issue	159.722	0	159.722	0	0	
Incremental costs associated with contemplated domestic offering	-858	0	-858	0	0	
Dividends approved by the shareholders	-985	-1.195	-985	-1.195	-1.195	
Interim dividend	0	-2.042	0	0	-2.042	
Minimum statutory dividend	-2.954	0	-2.954	0	0	
<b>Balance at 31.12.2005 and 31.12.2004</b>	<b>258.968</b>	<b>80.010</b>	<b>258.968</b>	<b>76.972</b>	<b>76.972</b>	

#### CASH FLOW STATEMENT

	Group			Company		
	1.1-31.12.05	1.1-31.12.04	1.1-31.12.04	1.1-31.12.05	1.1-31.12.04	1.1-31.12.04
Net cash from operating activities	7.735	4.281	4.281	7.735	4.281	4.281
Net cash from financing activities	-52.734	4.701	4.701	-52.734	4.701	4.701
Net cash from investing activities	72.719	-4.243	-4.243	72.719	-4.243	-4.243
Net increase in cash and cash equivalents	27.720	4.739	4.739	27.720	4.739	4.739
<b>Cash and cash equivalents at beginning of the year</b>	<b>10.262</b>	<b>5.523</b>	<b>5.523</b>	<b>10.262</b>	<b>5.523</b>	<b>5.523</b>
<b>Cash and cash equivalents at end of the year</b>	<b>37.982</b>	<b>10.262</b>	<b>10.262</b>	<b>37.982</b>	<b>10.262</b>	<b>10.262</b>

#### Additional Information

- The Company has been audited by tax authorities up to 2004.
- The Company's financial statements are included in the consolidated financial statements of EFG Eurobank Ergasias S.A., which owns 70.9% of the Company's ordinary shares.
- The fixed assets of the Company is free of charges and encumbrances.
- The Company's Management and its legal advisors believe that the outcome of the existing legal disputes will not have a significant impact on the Company's Financial Statements.
- The total number of employees as at 31.12.2005 was 5 (2004-4)
- In August 2005, the Company issued 11.851.852 ordinary shares with a par value of € 2.13 to existing shareholders for a total consideration of € 160.000 thousand (before issue costs of € 278 thousand). The proceeds of this issue were used to repay existing borrowings amounting to €110.819 thousand in anticipation of the change in the Company's legal status to that of a REIC and finance the acquisition of an investment property.
- In August 2005, the Company merged with its wholly-owned subsidiary ELDEPA S.A. The merger has been accounted for using the uniting of interests method of accounting, resulting in the two entities to be presented as a single one from the earliest period presented in the financial statements (01.01-31.12.04).
- The Company held 50% of interest in joint venture Zeron Real Estate S.A., until August 2005, when the Company sold the interest as part of the restructuring in anticipation of the Company's reorganisation into a REIC.
- After the Company's application to the Hellenic Capital Market Commission in October 2004 for its reorganisation into REIC, in September 2005, the BoD of the Hellenic Capital Market Commission approved (no: 11/352/21.9.2005) the application for reorganisation into a REIC in accordance with the article 21 par. 3. of L. 2778/1999, as is in effect and the same month, after the approval of the Athens Prefecture, the Company changed its status into a REIC.
- As at 31.12.2005, the Company was in the process of completing an initial public offering of ordinary shares on the Athens Exchange.
- The related party transactions of the Company and the Group are as follows: € 38,849 thousand, Payables € 41,776 thousand, Income € 5,045 thousand and Expenses € 4,021 thousand.

Athens, February 7th 2006

The Chairman of the Board of Directors

The General Manager

The Executive Member of the Board of Directors

The Chief Financial Officer

Haralambos Kyrkos  
I.D. No X 052022

Nikolaos Galeias  
I.D.No Π 028271

Aristotelis Karytinos  
I.D. No Σ 199654

Ilias Papailiopoulos  
PERM NO 18103



# LAMDA OLYMPIA VILLAGE S.A.

Figures and information for the year ended December 31, 2005

*(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 LAMDA OLYMPIA VILLAGE S.A. 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.

Headquarters : Laodikleas 16 & Nimitaiou, 11528 Athens  
 Number in the Register of Societies Anonymes : 48192/01/B/01/516/02  
 Main activity : Real Estate Development  
 Audit Authority : Ministry of Development, Department of Anonymes Companies  
 Date of Financial statement's Approval : 15/05/2006  
 Certified Auditor Public Accountant : Mixalatos Konstantinos (SOEL Reg.No. 17701)  
 Auditor Company : PRICEWATERHOUSECOOPERS  
 Type of Audit Report : Unqualified- With emphasis issue  
 Internet Site : www.Lamda-development.net

**Board of Directors**  
**Chairman of the Board :** Vassilis S. Vekios  
**Vice president :** Panagiotis S. Nikolaidis  
**Chief Executive Officer :** Georgios C. Papageorgiou  
**Members :** Vassilios A. Balouris  
 Caratopouzi G. Constantina  
 Ioannis - Metaxas D. Trikardos  
 Alexandros C. Dimakopoulos  
 Vassilios G. Vlaseros  
 Constantinos A. Papatheodoropoulos  
 Theodoros C. Glavas

## Balance sheet (Amounts in €)

	31.12.2005	31.12.2004
<b>ASSETS</b>		
Non-current assets	392.415.296,25	179.261.650,50
Inventories	56.134.543,03	67.630.774,51
Trade and other receivables	33.736.146,71	22.817.202,55
Other assets	134.743,89	-
Cash and cash equivalents	15.603.407,71	12.416.403,55
<b>Total Assets</b>	<b>498.024.137,59</b>	<b>282.126.031,11</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Non-Current liabilities	98.054.188,53	24.700,00
Short-term borrowings	126.037.793,49	120.037.926,82
Other current liabilities	98.268.816,64	47.822.633,37
<b>Total liabilities (a)</b>	<b>322.360.798,66</b>	<b>167.885.260,19</b>
Share Capital	120.723.107,68	120.864.276,37
Other reserves	39.110,95	39.110,95
Retained earnings / (Accumulated losses)	54.901.120,30	(6.662.616,40)
<b>Total Equity (b)</b>	<b>175.663.338,93</b>	<b>114.240.770,92</b>
<b>Total Liabilities &amp; shareholders equity (c) = (a) + (b)</b>	<b>498.024.137,59</b>	<b>282.126.031,11</b>

	1.01 - 31.12.2005	1.01 - 31.12.2004
<b>Income statement (Amounts in €)</b>		
<b>Sales</b>	<b>23.901.949,00</b>	<b>5.685.913,00</b>
<b>Gross Profit</b>	<b>(4.991.210,00)</b>	<b>(1.358.019,00)</b>
Fair value gains / losses of investment property	107.717.343,00	-
<b>Earnings before interest, taxes, depreciation &amp; amortization</b>	<b>92.783.009,70</b>	<b>(152.061,60)</b>
<b>Earnings before interest and taxes</b>	<b>92.681.264,70</b>	<b>(161.086,60)</b>
<b>Profit before taxes</b>	<b>91.953.211,70</b>	<b>(155.955,60)</b>
Minus : Taxes	(30.389.475,00)	(296.386,00)
<b>Profit for the period</b>	<b>61.563.736,70</b>	<b>(462.341,60)</b>

## Statement of changes in equity (Amounts in €)

	31.12.2005	31.12.2004
<b>Company</b>		
Shareholder's Equity at the beginning of the period (1/1/2005 & 1/1/2004)	114.240.770,92	90.870.133,66
Net profits for the period after taxes	61.563.736,70	(452.341,60)
	<b>175.804.507,62</b>	<b>90.417.792,06</b>
Increase / (Decrease) in Share Capital	(141.168,69)	23.822.978,86
Period shareholder's Equity at period end (31/12/2005 and 31/12/2004)	<b>175.663.338,93</b>	<b>114.240.770,92</b>

## Cash Flow Statement (Amounts in €) - indirect method

	1.01 - 31.12.2005	1.01 - 31.12.2004
<b>Company</b>		
<b>Cash flows from operating activities</b>	91.953.211,70	(155.955,60)
Profits before taxes		
Adjustments for :		
Depreciation	101.744,95	9.024,50
Provisions for inventories	6.755.517,24	-
Fair value gains of investment property	(107.717.343,27)	-
Results from investing activities (Revenues, Expenses, Profits, Losses)	(36.192,22)	(6.258,52)
Interest expenses	764.244,72	1.127,12
Changes in working capital :		
Decrease in inventories	4.740.714,24	23.335.179,50
(Increase) in receivables	(13.000.597,50)	(10.689.665,28)
Increase / (decrease) in payables	14.012.103,55	(8.211.608,23)
Minus :		
Interest expenses paid	(1.199.064,72)	148.547,57
Income tax paid	(394.629,47)	605.554,96
<b>Net cash flow from operating activities (a)</b>	<b>(4.020.290,78)</b>	<b>5.035.946,02</b>

## Cash flows from Investing Activities

Purchase of property, plant and equipment	(68.653.974,18)	(92.483.935,08)
Interest received	36.192,22	6.258,52
<b>Net cash flows from investing activities (b)</b>	<b>(68.617.781,96)</b>	<b>(92.477.676,56)</b>

## Cash Flows from Financing Activities

Proceeds from issuance of ordinary shares	-	23.892.104,86
Share capital issue expenses	(174.790,00)	(80.020,71)
Borrowings received	112.000.000,00	77.034.756,00
Repayment of borrowings	(36.000.133,10)	(3.000.000,00)
<b>Net cash flows from financing activities (c)</b>	<b>75.825.076,90</b>	<b>97.846.840,15</b>

## Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)

Cash and cash equivalents at beginning of the period	3.187.004,16	10.405.109,61
<b>Cash and cash equivalents at end of the period</b>	<b>12.416.403,55</b>	<b>2.011.293,94</b>
	<b>15.603.407,71</b>	<b>12.416.403,55</b>

## Additional figures and information

- The company has been audited by the tax authorities year-end 2002.
- The average number of company's employees at 31/12/2005 was 5 employees.
- The financial statements of the company are included in the consolidated financial statements of Lamda Development S.A. which owns 98,48% of the Company's ordinary shares. Lamda Development S.A. consolidates its investment to the company by full consolidation method.
- The account "Trade and other Receivables" includes € 24 m approximately, concerning receivables against Greek State, for the reimbursement of VAT related to construction cost for the Shopping Centre.
- Real estate liens and pre-notices, amount to € 402,5.
- 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 sales to and from its related parties are: Sales of services € 585.877, Purchase of services € 5.780.874, Receivables € 78.151 Short term liabilities € 5.735.197 and Loans from related parties € 88.071.956.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

Athens, May 15th 2006

THE FINANCIAL DIRECTOR

THE ACCOUNTANT

VASSILIOS S. VEKIOS  
ID.No X 066973

GEORGIOS C. PAPAGEORGIOU  
ID No Π 655346

VASSILIOS A. BALOUMIS  
ID No T 061891

MARIA T. MALIAPPI  
A' CLASS ACC. ID 0016087



# LAMDA SHIPYARDS and Marine Services S.A.

Figures and information for the year ended December 31, 2005  
*(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 Lamda SHIPYARDS and Marine Services S.A. Before making any investment decision or any other transaction concerning the company, we advise the reader to visit the company's web-site ([www.Lamda-Development.net](http://www.Lamda-Development.net)) which presents the detailed financial statements to International Financial Reporting Standards, along with the external auditor's report.

Headquarters : 27 km Π.Ε.Ο.Α.Κ., 19200 Ελεΐσινα  
 Number in the Register of Societies Anonymes : 7814/03/Β/86/95  
 Audit Authority : Nomarchy of E. Attika  
 Date of Financial statement's Approval : 10/03/2006  
 Certified Auditor Public Accountant : Μιχαήλος Κωνσταντίνος (SOEL Reg.No. 17701)  
 Auditor Company : PRICEWATERHOUSECOOPERS  
 Type of Audit Report : Unqualified - with emphasis issue  
 Internet site : [www.Lamda-Development.net](http://www.Lamda-Development.net)

Board of Directors  
 Chairman of the Board : Μιλτιάδης Ζάμος  
 Vice president : Αντώνιος Κάφας  
 Chief Executive Officer & General Manager : Μανώλης Στεργίου  
 Members : Λάμπρος Αναγνωστοπούλος  
 Θεόδωρος Γάτσος  
 Θεόδωρος Γλαβός  
 Αποστόλιος Ταμvakάκης

## Balance Sheet (Amounts in €)

	31.12.2005	31.12.2004
<b>ASSETS</b>		
Non-current assets	25.387.579	25.379.901
Inventories	152.501	70.374
Trade and other receivables	3.870.650	10.061.672
Other assets	1.276.264	1.066.242
<b>Total Assets</b>	<b>30.686.994</b>	<b>36.578.189</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Non-Current liabilities	9.058.276	9.747.274
Short-term borrowings	6.308.700	6.778.384
Other current liabilities	4.180.216	6.529.198
<b>Total liabilities (a)</b>	<b>19.547.192</b>	<b>23.054.856</b>
Share Capital	10.253.412	10.253.412
Other reserves	886.390	3.269.922
<b>Total Equity (b)</b>	<b>11.139.802</b>	<b>13.523.334</b>
<b>Total Liabilities &amp; shareholders equity (c) = (a) + (b)</b>	<b>30.686.994</b>	<b>36.578.189</b>

## Statement of changes in equity (Amounts in €)

	31.12.2005	31.12.2004
<b>Shareholders equity at the beginning of the period (1/1/2005 and 1/1/2004)</b>		
Net profits for the period after taxes	13.523.333 (2.310.696)	10.748.534 (741.424)
Net income directly recognised to equity	11.212.637	10.007.110
<b>Period shareholder's equity at period end (31/12/2005 and 31/12/2004)</b>	<b>11.139.801</b>	<b>13.523.334</b>

## Income statement (Amounts in €)

	1.01 - 31.12.2005	1.01 - 31.12.2004
<b>Company</b>		
Sales	9.543.741	26.310.931
Gross Profit	103.447	2.649.170
Earnings before interest, taxes, depreciation and amortization	(1.129.473)	292.072
Earnings before interest and taxes	(2.132.424)	(916.663)
Profit before taxes	(2.503.177)	(1.425.035)
Minus : Taxes	192.482	683.611
<b>Profit after taxes</b>	<b>(2.310.695)</b>	<b>(741.424)</b>

## Cash Flow Statement (Amounts in €) - indirect method

	01.01-31.12.2005	01.01-31.12.2004
<b>Company</b>		
<b>Cash flows from operating activities</b>		
Cash flows from operating activities	2.084.269	(2.744.465)
Interest expenses paid	(402.355)	(508.271)
Income tax paid	(192.482)	(683.611)
<b>Net cash flow from operating activities (a)</b>	<b>1.489.431</b>	<b>(3.936.347)</b>
<b>Cash flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1.083.466)	(2.847.212)
Proceeds from sales of property, plant and equipment	336.122	1.121
Proceeds from investments / Dividends received	530.000	545.000
Interest received	11.537	1.899
<b>Net cash flows from investing activities (b)</b>	<b>(205.806)</b>	<b>(2.298.193)</b>
<b>Cash Flows from Financing Activities</b>		
Borrowings received	-	7.331.683
Repayment of borrowings	(969.684)	(1.250.000)
<b>Net cash flows from financing activities (c)</b>	<b>(969.684)</b>	<b>6.081.683</b>
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>313.942</b>	<b>(153.857)</b>
Cash and cash equivalents at beginning of the period	156.806	310.663
<b>Cash and cash equivalents at the end of the period</b>	<b>470.747</b>	<b>156.806</b>

## Additional records and accounts

- Details of the Company's participation in subsidiaries:  

Company	% of participation
Argonaυtis S.A.	100%

According to the paragraph 10 IAS 27, the parent Company does not prepare consolidated financial statements in relation to its subsidiary because it is subsidiary of Lamda Development S.A. company and the financial statements are included in that company.
- Real estate liens and pre-notices for the company amount to € 16.500,00.
- 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 financial.
- The average number of company's employees at 31/12/2005 was 84.
- The Company has been audited by the tax authorities year-end 2002.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

MILTADIS I. ZANNOS  
 ID No Π 309230

Athens, March 10th 2006

THE CHIEF EXECUTIVE OFFICER

MARIOS A. STERGIU  
 ID No Θ 409007

THE FINANCIAL DIRECTOR AND CHIEF ACCOUNTING MANAGER

APOSTOLOS C. INTOUNAS  
 ID No M 334566



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