

## LAMDA Development

LAMDA Development consolidated turnover increased by 77% in 2006 and reached Euro108,2 million compared to Euro61 million in 2005.

The growth in group turnover is mainly attributed to the revenues generated by the two Shopping and Leisure Centers 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 derives from the real estate development, management and investment, compared to 80% in 2005.

Net Asset Value (NAV) before taxes increased by 34% and reached Euro405,2 million compared to Euro302 million in 2005.

Consolidated net profits after minority interest increased significantly and reached Euro94,6 million compared to Euro80,6 million in 2005, that is an increase of 17,3%.

It should be noted that operative income in 2006 was 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; the NAV before taxes and the net income before taxes in 2005 was increased by Euro159 million from the completion of the above mentioned projects.

### Summary of consolidated financial information

The significant increases of the consolidated results by Euro14 million and of the NAV by Euro103,3 million are due to the successful operation of the two shopping and leisure centers The Mall Athens and Mediterranean Cosmos (100% and 98% leased respectively) and also to the revaluation gains of Euro82,2 million (before deferred tax deduction) that resulted from the fair value adjustments by independent international valuers.

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 Euro33 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 from the successful operation of the shopping center as well as the improvement in the capitalization rate (yield) as 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 effected with HSBC Property Investments.

The results were also positively affected by:

- The adjustment to the consideration for the transfer of the shares of EUROBANK PROPERTIES REIC (materialization of the August 2005 contract) by Euro4,9 million has also positively contributed to the results. This positive difference was derived from the higher share price of EUROBANK PROPERTIES REIC as determined at the Initial Public Offering (I.P.O.) in the Athens Stock Exchange.

- The reduction of corporate income tax which had a positive effect to the profits by Euro18 million and counterbalanced the increase in financial expenses by Euro12,2 million, which are now expensed and no longer capitalized as in the fiscal period of 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 and Marine Services S.A., a 75% participation, for a total price of Euro10,9 million. The subject subsidiary company had previously proceeded with the transfer of the total share capital of its subsidiary Argonaftis A.N.E. for a price of Euro5,2 million. The total effect of the above transaction in the 2006 results is Euro2,7 million to be compared to net operating losses of Euro2,9 million in 2005.

- The reduction of loan interest average spreads by 0.5%, resulting in a total gain before taxes of Euro1,5 million.

- The harbor and land development completion of Flisvos Marina in 2006, setting the basis for improved financial results in the immediate future. The LAMDA TechnOL Flisvos Marina SA company posted a loss of Euro1,9 million in 2006 compared to Euro5,5 million loss in 2005. The improvement in the financial results is due to the turnover increase from Euro5,1 million to Euro6,1 million in 2006 and also to the fact that the 2005 financial results were negatively affected by the total rental readjustment that also concerned fiscal year 2004. It should also be noted that results are further burdened by expensing the total rental amount unduly requested by the Company of Tourist 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 parent company LAMDA Development posted profits of Euro79,8 million compared to Euro5,5 million in 2005.

This significant increase is due to the Euro62 million profits before taxes from the sale of the 50% participation in LAMDA Olymia Village and the reversal of provision from impairment by a Euro38,7 million reduction in the value of LAMDA Olympia Village that was held on 31/12/2003. Consolidated results have also been influenced positively by Euro4,9 million from the adjustment in the consideration of the shares transfer of EUROBANK PROPERTIES REIC. On the other hand, results have been influenced negatively by Euro4,5 million due to the transfer of LAMDA Shipyards & Marine Services SA. It should be noted that that transfer of the above mentioned company occurred at a higher value than its net asset value, which resulted to a total gain of Euro2,6 million in the consolidated results.

The proposed dividend for the fiscal year 2006 to the General Assembly of the company is Euro0,23 per share, whereas the total dividend payment will reach Euro10.121.822,06.

The major development and strategic goals are the following:

- Further improvement of the performance of the existing developments.
- Completion during the next two years, of all the developments, which are now at the stage of permits: IBC commercial center, office building and logistics in Bucharest, office buildings, commercial spaces and luxurious residential complex in Sofia and luxurious residential complex in Beograd. The total cost of these investments amounts to Euro150 million.
- Development of the Company's plots in Kifissia, in Kato Kifissia and Spata.
- Participation in the tenders of the Greek State for concessions in tourist developments, exhibition centers, logistics and retail developments.
- Interest in participating in private agreements in Greece for the development and management of outlet centers, big boxes, etc. as well as tourist developments.
- Further exploit the network of companies in Romania, Bulgaria and Serbia in order to enter into new agreements for residential, office and retail developments. Furthermore exploit opportunities in countries like Russia, Ukraine, Turkey and Poland
- Further exploit international and national corporate strategic alliances.

In total, the Company is currently considering a variety of developments aiming to invest approximately Euro 400 million in the next 2 years

The summary of the financial figures of 2006 will be published in the newspapers TA NEA and IMERISSIA on 13/3/2007 and will be placed on the company's site ([www.lamda-development.net](http://www.lamda-development.net)) on the same day.