LAMDA DEVELOPMENT S.A.

Financial Statements for the year ended 31 December 2005
in accordance with International Financial Reporting Standards («IFRS»)

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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Balance Sheet

Amounts in Euro	Notes	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
ASSETS					
Non-current assets					
Investment property	7	602.702.993	55.034.228	5.495.441	5.670.000
Property, plant and equipment	8	49.133.840	271.411.583	1.505.602	1.650.271
Intangible assets	9	5.008.223	5.148.149	-	-
Investments in subsidiaries	10	34.770.662	22.010.567	254.645.469	221.304.548
Deferred income tax asset	11	328.861	4.815.782	139.715	141.289
Other receivables	13	3.060.183	655.518	2.338.084	37.948
		695.004.762	**359.075.827**	**264.124.311**	**228.804.056**
Current assets					
Inventories	12	80.939.513	103.639.834	-	-
Trade and other receivables	13	77.112.115	68.741.276	7.039.934	20.699.627
Current income tax asset		2.770.365	1.457.847	756.177	221.321
Cash and cash equivalents	14	36.829.823	24.408.860	4.291.681	1.130.951
		197.651.816	**198.247.817**	**12.087.792**	**22.051.899**
Total assets		**892.656.578**	**557.323.645**	**276.212.102**	**250.855.955**
EQUITY					
Capital and reserves attributable to the Company's shareholders					
Share capital	15	235.878.092	234.837.110	235.878.092	234.837.110
Other reserves	16	5.983.471	4.228.288	4.630.689	4.630.689
Retained earnings / (Accumulated losses)		21.585.395	(60.211.329)	(52.863.652)	(58.341.730)
		263.446.958	178.854.069	187.645.129	181.126.068
Minority interest		43.399.481	36.978.541	-	-
Total equity		**306.846.439**	**215.832.610**	**187.645.129**	**181.126.068**
LIABILITIES					
Non-current liabilities					
Borrowings	17	125.673.929	43.245.141	31.320.689	8.909.865
Deferred income tax liability	11	44.992.104	3.249.190	-	-
Retirement benefit obligations	18	583.332	954.731	173.098	201.456
Other liabilities	19	1.418.522	569.785	36.148	-
		172.667.887	**48.018.847**	**31.529.935**	**9.111.321**
Current liabilities					
Trade and other liabilities	19	175.447.044	129.523.876	35.737.138	46.618.566
Current income tax liability		280.109	1.721.247	-	-
Borrowings	17	237.047.926	162.227.065	21.020.006	14.000.000
Provisions	20	367.173	-	279.895	-
		413.142.252	**293.472.188**	**57.037.039**	**60.618.566**
Total liabilities		**585.810.139**	**341.491.035**	**88.566.974**	**69.729.887**
Total equity and liabilities		**892.656.578**	**557.323.645**	**276.212.102**	**250.855.955**

The financial statements of Lamda Development SA for the year ended 31 December 2005 have been approved by the Company's Board of Directors at March 17, 2006.

The notes on pages 6 to 54 are an integral part of these financial statements.

Income Statement

Amounts in Euro	Notes	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Sales	6C	**72.703.601**	**74.600.734**	**6.090.669**	**389.781**
Cost of sales	21	(74.391.297)	(61.877.630)	(3.374.479)	(8.199)
Gross profit		**(1.687.695)**	**12.723.104**	**2.716.190**	**381.582**
Administrative expenses	21	(27.540.140)	(18.083.555)	(5.894.302)	(5.553.260)
Fair value gains/ (losses) of investment property	7	159.325.055	-	(45.000)	-
Other operating income / (expenses) - net	25	11.556.270	6.538.287	10.806.464	5.399.619
Operating profit		**141.653.489**	**1.177.836**	**7.583.352**	**227.941**
Finance costs - net	23	(6.133.740)	(1.945.205)	(2.064.084)	(833.369)
Profit before income tax		**135.519.750**	**(767.369)**	**5.519.267**	**(605.428)**
Income tax expense	24	(47.485.867)	8.790.586	(41.189)	639.790
Profit for the period		**88.033.883**	**8.023.217**	**5.478.078**	**34.362**
Attributable to :					
Equity holders of the Company		80.604.183	7.986.248	5.478.078	34.362
Minority interest		7.429.699	36.969	-	-
		88.033.883	**8.023.217**	**5.478.078**	**34.362**
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	30	1,841	0,183	0,125	0,001
Diluted	30	1,835	0,183	0,125	0,001

The notes on pages 6 to 54 are an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro	Share capital	Other reserves	Retained earnings	Minority Interests	Total Equity
	Attributable to equity holders of the Company				
GROUP					
1 January 2004	**234.418.126**	**5.417.833**	**(69.915.598)**	**16.568.770**	**186.489.131**
Currency translation differences	-	(1.262.434)	-	-	(1.262.434)
Transfers between reserves	-	72.889	(72.889)	-	-
Change in subsidiary shareholdings	-	-	1.790.910	(323.975)	1.466.935
Net profit for the period	-	-	7.986.248	36.969	8.023.217
Share capital issue in subsidiary	-	-	-	20.696.777	20.696.777
Employees share option scheme	418.984	-	-	-	418.984
31 December 2004	234.837.110	4.228.288	(60.211.329)	36.978.541	215.832.610
1 January 2005	**234.837.110**	**4.228.288**	**(60.211.329)**	**36.978.541**	**215.832.610**
Currency translation differences	-	1.698.662	-	-	1.698.662
Transfers between reserves	-	56.520	(56.520)	-	-
Change in subsidiary shareholdings	-	-	1.249.061	(633.663)	615.397
Sale of Subsidiaries				(1.572.096)	(1.572.096)
Share capital issue				1.197.000	1.197.000
Net profit for the period	-	-	80.604.183	7.429.699	88.033.883
Employees share option scheme	1.040.982	-	-	-	1.040.982
31 December 2005	**235.878.092**	**5.983.471**	**21.585.395**	**43.399.481**	**306.846.439**

Amounts in Euro	Share capital	Other reserves	Retained earnings	Minority Interests	Total Equity
COMPANY					
1 January 2004	**234.418.126**	**4.630.689**	**(58.376.092)**	**-**	**180.672.723**
Net profit for the period	-	-	34.362	-	34.362
Employees share option scheme	418.984	-	-	-	418.984
31 December 2004	234.837.110	4.630.689	(58.341.730)	-	181.126.068
1 January 2005	**234.837.110**	**4.630.689**	**(58.341.730)**	**-**	**181.126.068**
Net profit for the period	-	-	5.478.078	**-**	5.478.078
Employees share option scheme	1.040.982	-	-	**-**	1.040.982
31 December 2005	**235.878.092**	**4.630.689**	**(52.863.652)**	**-**	**187.645.129**

The Retained Earnings of the Company include unrealized gains from the revaluation of investment property. Distribution of such gains, according to the directions issued by the Board of Directors of ΕΛΤΕ at 17/2/2006 regarding profit distribution of companies that prepare annual financial statements in accordance with IFRS, is only allowed upon their realization.

The notes on pages 6 to 54 are an integral part of these financial statements.

Cash Flow Statement

Amounts in Euro	Notes	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Cash flows from operating activities					
Cash generated from operations	26	(11.568.871)	24.211.839	(19.856.265)	783.030
Interest paid		(6.482.764)	(2.516.322)	(1.848.663)	(1.216.357)
Income tax paid		(3.843.337)	(3.307.880)	(534.856)	(580.989)
Net cash generated from/ (used in) operating activities		**(21.894.973)**	**18.387.637**	**(22.239.784)**	**(1.014.316)**
Cash flows from investing activities					
Purchase of property, plant, equipment and investment property	7, 8	(128.444.774)	(175.920.275)	(2.377.093)	(1.367.811)
Purchase of intangible assets	9	-	(3.202.925)	-	-
Proceeds from sale of property, plant, equipment and investment property	26	2.635.240	-	2.306.955	-
Proceeds from investments / Dividends received		294.000	1.157.356	898.950	3.239.856
Interest received		206.935	560.413	13.400	382.988
Proceeds from available-for-sale investments		-	3.361.507	-	2.000.000
Proceeds from sale of shares in investments		17.345.765	2.146.935	18.383.193	-
Acquisition of shares in investments		(22.011.008)	-	(23.725.014)	(49.852.705)
Net cash used in investing activities		**(129.973.842)**	**(171.896.989)**	**(4.499.610)**	**(45.597.672)**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		479.443	347.219	479.443	347.219
Proceeds from issuance of shares of subsidiaries		1.197.000	20.696.777	-	-
Dividends paid to shareholders		(10.148)	(2.615.373)	(10.148)	(2.615.373)
Borrowings received		288.012.688	142.003.711	37.295.628	19.224.316
Capital repayments of finance leases		(620.873)	(590.495)	-	-
Repayment of borrowings		(124.768.333)	(22.737.959)	(7.864.798)	(1.314.451)
Net cash from financing activities		**164.289.777**	**137.103.880**	**29.900.125**	**15.641.711**
Net (decrease) / increase in cash and cash equivalents		12.420.963	(16.405.472)	3.160.731	(30.970.277)
Cash and cash equivalents at beginning of the period		24.408.860	40.814.333	1.130.951	32.101.229
Cash and cash equivalents at end of the period	14	**36.829.823**	**24.408.861**	**4.291.682**	**1.130.952**

The notes on pages 6 to 54 are an integral part of these financial statements.

Notes upon financial statements

1. General information

These financial statements comprise the financial statements of LAMDA DEVELOPMENT S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2005, according to International Financial Reporting Standards ("IFRS"). The names of the Group's subsidiaries are presented in Note 10 of these statements.

The main activities of the Group are the investment, development and maintenance of innovative real estate projects, marina and yacht maintenance & refurbishment, and airport ground handling services. It should be noted that the Group's investment in the joint venture of Swissport Lamda Hellas S.A., which is the Group's only investment in the airport ground handling services sector, was sold in June 2005.

The Group operates in Greece, in Romania and in Serbia, and the Company's shares are traded on the Athens Stock Exchange.

The address of the Company's registered office is 16 Laodikias & Nimfeou str., 11528 Athens, Greece. Its website address is *www.Lamda-development.net*. The Company is controlled by Consolidated Lamda Holdings S.A. which is registered in Luxemburg and consequently the financial statements of the Group are included in its consolidated financial statements.

The financial statements have been approved for issue by the Board of Directors of the Company on 17 March 2006.

2. Summary of significant accounting policies

2.1. Preparation framework of the financial statements

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS"), and the interpretations issued by the International Financial Reporting Interpretations Committee, that have been approved by the European Union, and IFRS that have been issued by the International Accounting Standards Board ("IASB").

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been accepted by the European Council following an approval process undertaken by European Commission ("EC"), except for IAS 39 "Financial Instruments: Recognition and Measurement". Following this process and as a result of representations made by Accounting Regulatory Committee of the European Council issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1st January 2005, except for specific sections that relate to hedging of deposit portfolios.

As the Group and the Company are not impacted by the sections that relate to hedging of deposit portfolios, as reflected in the IAS 39 approved by the EC, these financial statements have been prepared in compliance with IFRS that has been approved by the EC and IFRS that have been issued by the IASB.

These financial statements are covered by IFRS 1 "First-time Adoption of IFRS" because they are the first financial statements that comply with IFRS, since the financial statements have been prepared in accordance with Greek GAAP until the 31 December 2004. Greek GAAP differs in certain areas from IFRS. In preparing these financial statements, management has modified some of the accounting, valuation and consolidation methods used under Greek GAAP in order to comply with IFRS. The comparative amounts of 2004 are presented modified with the above-mentioned changes.

Reconciliations and descriptions of the effect of the transition from Greek GAAP to IFRS on the Group's equity and its net income are given in Note 5.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation at fair value of investment properties.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, it is required the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the real results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2. New standards, interpretations and amendments to published standards

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Group's current and subsequent accounting periods. Managements estimation of the impact of these new standards, interpretations and amendments is as follows:

- **IAS 19 (Amendment), Employee Benefits (effective from 1 January 2006).**

  This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and looses and as the Group does not participate in any multi-employer plans, the adoption of this amendment will only impact the format and extent of disclosures presented in the accounts. The Group and the Company will apply this amendment from annual periods beginning 1 January 2006.

- **IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from 1 January 2006)**

  The amendment allows the foreign currency risk of a highly probable forecast intra-group transaction to qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect consolidated profit or loss. This amendment is not relevant to the Group's operations, as the Group does not have any intra-group transactions that would qualify as a hedged item in the consolidate financial statements.

- **IAS 39 (Amendment), The Fair Value Option (effective from 1 January 2006)**

  This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. The Group and the Company believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group and the Company does not have any financial instruments that are classified at fair value through profit or loss.

- **IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006).**

  This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Group and the Company.

- **IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources (effective from 1 January 2006)**

  These amendments are not relevant to the Group's operations, as the Group does not carry out exploration for and evaluation of mineral resources.

- **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)**

  IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. IFRS 7 replaces IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions", and disclosure requirements in IAS 32 "Financial Instruments: Disclosure and Presentation." It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

- **IFRIC 4, Determining whether an Arrangement contains a Lease (effective from 1 January 2006)**

  IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Management is of the view that this IFRIC will not impact the current accounting of applicable arrangements.

- **IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from 1 January 2006).**

  IFRIC 5 is not relevant to the Group's operations.

- **IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective from 1 December 2005).**

  IFRIC 6 is not relevant to the Group's operations.

2.3. Consolidated financial statements

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement

When the Group increases its shareholding in a subsidiary, the difference between the price paid and the book value of the net assets of that subsidiary is recorded directly in equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for its investment in subsidiaries, in its stand alone accounts, on the cost less impairment basis.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in associates are accounted for in the financial statements of the Company at the cost less impairment basis.

(c) Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation.

The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture to the extent that the gain or loss is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in joint ventures are accounted for in the financial statements of the Company at the cost less impairment basis.

2.4. Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The nature and the source of the Group's income are used as the basis of determining its primary and secondary segments. The Group has concluded that its primary segment should be based on the nature of its products and services and its secondary segment should be based on the geographic location of its operations.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and

iii. All resulting exchange differences are recognised as a separate component of equity and transferred in Income Statement with the sale of those entities.

Exchange differences arising from the translation of the net investment in foreign entities' are recognised in equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, land held under operating lease and buildings held under finance lease.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed annually by independent external valuers in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item ca be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement at year end.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. Any difference between fair value and book value is recognised in the Income Statement.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.7. Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Costs required for the development and improvement of the computer software programmes are capitalised.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred (See note 2.15).

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings (and leasehold improvements)	20	years
- Transportation equipment, machinery, technical installations & other equipment	5 – 15	years
- Furniture and fittings	5 – 6	years
- Software	up to 5	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the Income Statement. (Note 2.9)

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

2.8. Intangible Assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries and joint ventures is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units which represent each entity for the purpose of impairment testing.

(b) Concessions and rights

Concessions and industrial rights refer to rights of use and are carried at cost less any depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its estimated useful life, which is 40 years.

2.9. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised as an expense to the Income Statement, when they occur.

2.10. Financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(b) Financial assets at fair value through profit or loss

This category has three sub-categories: financial assets held for trading, those designated at fair value through profit or loss at inception and derivatives. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. The Group did not hold any investments in this category during the year.

(c) Investments held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group did not hold any investments in this category during the year.

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. The Group did not hold any investments in this category during the year.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Investments are initially recognized at fair value plus any transaction cost.

Available for sale financial assets and financial assets at fair value through profit or loss are presented at fair value.

Realized and unrealized gains or losses from changes in fair value of financial assets at fair value through profit or loss are recorded in the income statement when they occur.

Unrealized gains or losses from changes in fair value of financial assets that classified as available for sale are recognized in revaluation reserve. In case of sale or impairment of available for sale financial assets, the accumulated fair value adjustments are transferred to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.11. Inventories

Inventories are stated at the lower of cost and net realisable value. Differences between cost and net realisable value are recorded as losses in the Income Statements as they incur. Cost is determined using the weighted average method. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

Properties that are being developed for future sale are reclassified as inventories at their carrying amount at the balance sheet date.

2.12. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts.

2.14. Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

2.15. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16. Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affected neither accounting nor taxable profit or loss. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.17. Employee benefits

(a) Short-term benefits

Short-term employee benefits in cash and in items are recognized as an expense when they become accrued.

(b) Retirement benefits

The Group participates in retirement schemes in accordance with the Greek legislation by paying into publicly administered social security funds on a mandatory basis. Benefits after retirement include both defined contribution plans and defined benefits plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate social security fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan comprise retirement benefit plans according to which the Group pays to the employee an amount upon retirement that is based on the employee's period of service, age and salary.

The liability in respect of defined benefit plans, is the present value of the defined benefit obligation at the balance sheet date together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans, which exceed 10% of the compounded obligation, are charged or credited to income over the average remaining service lives of the related employees.

Past service costs are recognised in the profit and loss account; with the exception of movements in the related obligation that are based on the average remaining service lives of the related employees. In this instance the past service cost are amortised to the profit and loss account on a straight-line basis over the vesting period.

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

In case of termination of employment where there is inability to determine the number of employees that will make use of these benefits, the latter are not accounted for but disclosed as a contingent liability.

(d) Share-based compensation

The Group operates a share option compensation plan. The fair value of the services of the employees, to whom shares are granted according to the share option plan, is accounted for as expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.18. Grants

Government grants are recognised at fair value when it is virtually certain that the grant will be received and the group will comply with anticipated conditions.

Government grants relating to expenses are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.19. Provisions

Provisions are recognized when:

i. There is present legal or constructive obligation as a result of past events

ii. It is probable that an outflow of resources will be required to settle the obligation

iii. The amount can be reliably estimated

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date (see Note 4.1). The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

Right of leave provision

The right of annual leave and long-service leave for employees are recognized when these result. A provision is recognized for the estimated obligation of annual leave and long-service leave as result of services that were offered up until the balance sheet date.

2.20. Revenue recognition

Revenue comprises the fair value of revenues from rents, services and management of real estate, as well as real estate purchases and sales. Intercompany revenues from sales within the Group are fully eliminated. Revenue is recognised as follows:

(a) Sale of Real Estate

Revenue from the sale of real estate is only recognized in the financial statements when the final contract has been signed.

When the outcome of a contract cannot be reliably estimated, the revenue is recognized only to the extent that the contract costs incurred will probably be recoverable. Contract expenses are recognised when incurred.

When the outcome of a contract can be reliably estimated, the revenue and the costs of the contract are recognized over the duration of the contract as revenue and expenses respectively. The Group uses the percentage of completion method in order to determine the revenue and expenses to recognize in each accounting period. When the total cost is likely to exceed the total income then the excess loss is recognized immediately in the income statement as an expense.

(b) Income from Investment Property

Income from investment properties includes operating lease income, income from maintenance and management of real estate, concession rights and commercial cooperation agreements.

The income from operating leases is recognized in the Income Statement using the straight-line method over the duration of the lease. When the Group provides incentives to its customers, the cost of these incentives is recognized over the duration of the lease or commercial cooperation, using the straight line method, reducing income.

The income from maintenance and management of real estates, concessions and commercial cooperation agreements is recognized during the period for which the concession and commercial cooperation services are provided.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Afterwards, interests are calculated by using the same rate on the impaired value (new carrying amount).

(d) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

2.21. Leases

(a) Group company as the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if classified as tangible assets, while if classified as investment properties they are not depreciated but presented in their fair value.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) Group company as the lessor

Assets leased to third parties under operating leases are included in investment properties and measured at fair value (Note 2.6) Note 2.20 describes the accounting principle of revenue recognition from leases..

2.22. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements when the dividend distribution is approved by the Company's General Assembly. The first dividend is recognised at its payment.

2.23. Comparative figures and rounding

Certain prior year amounts have been reclassified to conform to the current year presentation. Differences between amounts presented in the financial statements and corresponding amounts in the notes results from rounding differences.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange price, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles and directions for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk and credit risk.

(a) Market risk

The Group operates in Europe and consequently the major part of the Group's transactions is denominated in Euros. The Group's stable policy is to avoid purchasing foreign currency in advance and contracting FX future contracts with external counter-parties.

(b) Credit risk

Sales are made mainly to customers with an assessed credit history and credit limits. Specific sale and collection terms are employed. Whenever possible, further securities are requested for outstanding receivables.

(c) Liquidity risk

Liquidity needs are satisfied in full by the timely forecasting of cash needs in conjuction with the prompt receipt of receivables and by using adequate credit limits with collaborating banks.

(d) Interest fluctuation risk

The revenues and the cash flows of the Group are only slightly infuenced from interest movements, as cash available for investment and interest bearing receivables are mainly dependent on the euro interest rates which historically have low volatility while predicted future volatility is also low.

With regards to borrowings, the Group, based on the fact that all its revenues are euro-denominated has decided to borrow funds in euros, in order to eliminate risk due to currency exchanges.

Moreover, the Group, in order to be covered in the long term from interest fluctuations, it uses contracts of exchanging short term interest rates with long term ones for those loans whose duration exceeds one year.

At the financial year end, 65% approx of the total borrowings was under fixed interest products. The target is the covering of the bigger part of the interest fluctuation risk of the loans pertaining to the financing of investment properties. The coverage percentage is expected to be considerably increased during 2006.

These contracts are valued at balance sheet date and the gains or losses from the changes in the current value of the financial products are recorded in the relevant year.

3.2. Determination of fair values

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgements

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

4.1. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months concern the following:

(a) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. When there is absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

(b) Principal assumptions for management's estimation of fair value

If information on current or recent values for investment properties is not available, the fair values of investment properties are determined using discounted flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance date.

The principle assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements, and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) Income taxes

The Group is subject to various legislations regarding income taxes. In order to determine such provision the above should be a clear perception of the above. During the normal course of business, there are some transactions and calculations for which the ultimate tax determination is uncertain. The Management forms provisions regarding additional taxes that might occur following future tax audits. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Other issues

- As it is also reported in notes 13 and 19, the Group's management estimates that the balance payable towards Hellenic Touristic Properties (ETA) and the respective case under arbitration will not result in any additional obligations for the Group.

- As it is also reported in the note 13, included in the VAT Receivable is amount of € 40,8 m (2004: €19,8 m) which concerns the VAT rebate which relates to the cost of construction of the Commercial Centres. The Group's management considers that there exists a right of return of this VAT as inflow, or offsetting of this amount with future VAT outflows.

- As it is also reported in the note 28, the subsidiary company LAMDA OLYMPIA VILLAGE has been imposed with a property transfer tax of €9,8 m. The Group's management regards that the imposition of this income tax is unfounded because of the special provisions of the law concerning Olympic Games projects.

4.2. Critical management estimates in applying the entity's accounting policies

As is also reported in note 28, a subsidiary company of the Group, has undertaken to compensate its customers for potential tax obligations that will arise because of the special nature of the commercial cooperation agreements that they have contracted with the company in question. The amount of the potential obligation cannot be estimated.

There are no areas that require management estimates in applying the Group's accounting policies.

5. Transition to IFRS

5.1. Basis of transition to IFRS

5.1.1 Application of IFRS 1

The Group's financial statements are the first annual financial statements that comply with IFRS. These financial statements have been prepared as described in Note 2.1. The Group's IFRS adoption date is 1 January 2004. The Group has applied the IFRS to prepare its opening balance sheet at this date of transition.

In preparing these financial statements in accordance with IFRS 1, the Group has applied the mandatory exemptions, as well as certain of the optional exemptions from full retrospective application of IFRS.

5.1.2 Exemptions from full retrospective application of IFRS elected by the Group

The Group has elected to apply the following optional exemptions from full retrospective application:

(a) Business combinations exemption

The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Fair value as deemed cost exemption

The Group has elected to measure land at fair value and to use this cost as the deemed cost as at 1 January 2004. Investment properties are shown in Note 7.

(c) Employee benefit exemption

The Group has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

(d) Cumulative translation differences exemption

The Group has elected to set the previously accumulated cumulative translation to zero at 1 January 2004. This exemption has been applied to all subsidiaries in accordance with IFRS 1.

(e) Designation of financial assets and financial liabilities exemption

The Group reclassified various securities as available-for-sale investments at the opening balance sheet date of 1 January 2004.

5.1.3 Exceptions from full retrospective application followed by the Group

The Group has applied the following mandatory exceptions from retrospective application:

(a) Derecognition of financial assets and liabilities exception

Financial assets and liabilities derecognised before 1 January 2004 are not re-recognised under IFRS.

(b) Estimates exception

Estimates under IFRS at 1 January 2004 should be consistent with estimates made for the same date under Greek GAAP, unless there is evidence that those estimates were in error.

5.2. Reconciliations between IFRS and GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS. The first reconciliation provides an overview of the impact on equity of the transition at 1 January 2004 and 31 December 2004. The following reconciliations provide details of the impact of the transition on:

- Equity at 1 January 2004 and 31 December 2004 (note 5.2.1)
- Balance sheet at 1 January 2004 (note 5.2.2)
- Balance sheet at 31 December 2004 (note 5.2.3)
- Net income for 12 months ended 31 December 2004 (Note 5.2.4)
- Profit and loss account for 12 months ended 31 December 2004 (Note 5.2.5)

5.2.1 Reconciliation of equity at 1 January 2004 and 31 December 2004

5.2.1(a) Group

(Amounts in Euro thousands)	**1.1.2004**	**31.12.2004**
Total equity under Greeek GAAP	**241.731.167**	**277.910.914**
IFRS transition adjustments		
Reduction of share premium with costs attributable to the issue of new shares	(1.585.771)	(1.579.366)
Effect of fair value adjustments to tangible assets	16.999.031	19.284.195
Restatement of participations to their fair values	(45.128.251)	(43.241.514)
Reversal of revaluations on immovable property (Law 3229/2004)	-	(26.632.242)
Reversal of profit from the sale and leaseback of immovable asset	(5.119.139)	(4.701.811)
Establishment of provisions	(936.080)	(997.015)
Reversal of grants	(1.598.239)	(1.598.239)
Restatement of accumulated depreciation on P,P&E	1.695.891	2.654.101
Restatement of accumulated amortization on Intangible assets	245.045	(860.684)
Recognition of long term liability due to employee benefits	(504.572)	(578.611)
Deferred tax adjustments	(8.759.181)	1.602.815
Effect of different consolidation method used for subsidiaries	(3.966.792)	(3.476.742)
Revaluation of inventory	(8.900.000)	(8.900.000)
Adjustment relating to revenue recognition	-	(1.999.727)
Change in affiliated company's net equity position	2.378.304	9.121.507
Cumulated impact of other non-material items	(62.283)	(174.972)
Total adjustments	**(55.242.037)**	**(62.078.304)**
Total equity under IFRS	**186.489.130**	**215.832.610**

5.2.1(b) Company

(Amounts in Euro)	**1.1.2004**	**31.12.2004**
Total equity under Greeek GAAP	**240.540.533**	**242.145.488**
IFRS transition adjustments		
Reduction of share premium with costs attributable to the issue of new shares	(1.072.890)	(1.001.126)
Effect of fair value adjustments to tangible assets	1.777.183	1.777.183
Restatement of participations to their fair values	(59.881.859)	(59.881.859)
Reversal of revaluations on immovable property (Law 3229/2004)	-	(2.011.751)
Establishment of provisions	(692.580)	(997.015)
Restatement of accumulated depreciation on P,P&E	-	142.236
Restatement of accumulated amortization on Intangible assets	516.053	782.343
Deferred tax adjustments	(513.718)	212.332
Cumulated impact of other non-material items	-	(41.763)
Total adjustments	**(59.867.811)**	**(61.019.421)**
Total equity under IFRS	**180.672.722**	**181.126.067**

5.2.2 Reconciliation of balance sheet at 1 January 2004

5.2.2(a) Group

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	120.272.571	(21.883.246)	98.389.325
Investment properties	-	55.034.228	55.034.228
Intangible assets	11.255.597	(9.108.347)	2.147.250
Investments in affiliated companies	18.825.762	(164.638)	18.661.123
Deferred tax assets	-	(8.934.097)	(8.934.097)
Other receivables	390.490	(274.961)	115.529
	150.744.419	**14.668.939**	**165.413.359**
Current assets			
Inventories	178.107.231	(54.067.947)	124.039.284
Trade and other receivables	52.303.297	(3.375.771)	48.927.526
Current income tax assets	-	596.552	596.552
Securities	3.361.507	-	3.361.507
Cash and cash equivalents	39.902.178	912.154	40.814.332
	273.674.213	**(55.935.012)**	**217.739.201**
Total assets	**424.418.633**	**(41.266.073)**	**383.152.560**
EQUITY AND LIABILITIES			
Equity			
Share capital	13.077.885	-	13.077.885
Share premium	222.975.874	(1.635.633)	221.340.241
Grands	1.278.591	(1.278.591)	-
Other reserves	4.655.821	762.012	5.417.832
Goodwill	(16.971.912)	16.971.912	-
Retained earnings / (losses)	(2.409.863)	(67.505.735)	(69.915.598)
	222.606.396	**(52.686.036)**	**169.920.360**
Minority interest	19.124.771	(2.556.001)	16.568.770
Total equity	**241.731.167**	**(55.242.037)**	**186.489.130**
Non-current liabilities			
Borrowings	15.605.759	10.440.000	26.045.759
Employee retirement benefit obligations	382.544	492.687	875.231
Provisions	16.871	(16.871)	-
Other long term liabilities	640.105	6.590.160	7.230.265
	16.645.279	**17.505.976**	**34.151.255**
Current liabilities			
Trade and other payables	98.947.555	206.909	99.154.464
Current income tax liabilities	4.516.446	(1.909.925)	2.606.521
Borrowings	62.578.186	(1.826.995)	60.751.190
	166.042.187	**(3.530.011)**	**162.512.175**
Total liabilities	**182.687.466**	**13.975.964**	**196.663.430**
Total equity and liabilities	**424.418.633**	**(41.266.073)**	**383.152.560**

5.2.2(b) Company

(Amounts in Euro thousands)	**GREEK GAAP**	**Transition to IFRS**	**IFRS**
ASSETS			
Non-current assets			
Property, plant and equipment	4.172.042	(3.462.341)	709.701
Investment properties	-	5.670.000	5.670.000
Intangible assets	844.507	(844.507)	-
Investments in affiliated companies	250.205.101	(59.881.859)	190.323.243
Deferred tax assets	-	(656.524)	(656.524)
Other receivables	19.823	-	19.823
	255.241.473	**(59.175.231)**	**196.066.242**
Current assets			
Trade and other receivables	5.073.842	(692.580)	4.381.262
Securities	2.000.000	-	2.000.000
Cash and cash equivalents	32.101.228	-	32.101.228
	39.175.071	**(692.580)**	**38.482.491**
Total assets	**294.416.544**	**(59.867.811)**	**234.548.733**
EQUITY AND LIABILITIES			
Equity			
Share capital	13.077.885	-	13.077.885
Share premium	222.413.131	(1.072.890)	221.340.241
Other reserves	4.630.689	-	4.630.689
Retained earnings / (losses)	418.829	(58.794.921)	(58.376.092)
Total equity	**240.540.533**	**(59.867.811)**	**180.672.722**
Non-current liabilities			
Employee retirement benefit obligations	129.956	-	129.956
	129.956	**-**	**129.956**
Current liabilities			
Trade and other payables	48.472.647	-	48.472.647
Current income tax liabilities	273.408	-	273.408
Borrowings	5.000.000	-	5.000.000
	53.746.055	-	53.746.055
Total liabilities	**53.876.011**	**-**	**53.876.011**
Total equity and liabilities	**294.416.544**	**(59.867.811)**	**234.548.733**

5.2.3 Reconciliation of balance sheet at 31 December 2004

5.2.3(a) Group

(Amounts in Euro thousands)	GREEK GAAP	Transition to IFRS	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	354.043.244	(82.631.660)	271.411.584
Investment properties	-	55.034.228	55.034.228
Intangible assets	11.293.159	(6.145.010)	5.148.149
Investments in affiliated companies	14.240.251	7.770.316	22.010.567
Deferred tax assets	-	4.815.781	4.815.781
Other receivables	1.623.821	(968.303)	655.518
	381.200.475	**(22.124.647)**	**359.075.828**
Current assets			
Inventories	119.139.160	(15.499.326)	103.639.834
Trade and other receivables	76.761.028	(8.019.752)	68.741.276
Securities	-	1.457.847	1.457.847
Cash and cash equivalents	25.243.894	(835.034)	24.408.860
	221.144.082	**(22.896.265)**	**198.247.817**
Total assets	**602.344.558**	**(45.020.912)**	**557.323.645**
EQUITY AND LIABILITIES			
Equity			
Share capital	13.135.755	-	13.135.755
Share premium	223.265.224	(1.563.869)	221.701.355
Fair value reserves	26.177.543	(26.177.543)	-
Grands	1.241.299	(1.241.299)	-
Other reserves	3.300.069	928.219	4.228.288
Goodwill	(19.257.234)	19.257.234	-
Retained earnings / (losses)	(9.918.951)	(50.292.378)	(60.211.329)
	237.943.705	**(59.089.636)**	**178.854.069**
Minority interest	39.967.210	(2.988.669)	36.978.541
Total equity	**277.910.914**	**(62.078.305)**	**215.832.610**
Non-current liabilities			
Borrowings	30.436.300	12.808.841	43.245.141
Employee retirement benefit obligations	472.988	481.743	954.731
Grands	-	3.249.190	3.249.190
Provisions	1.605.432	(1.605.432)	-
Other long term liabilities	1.516.183	(946.398)	569.785
	34.030.903	**13.987.944**	**48.018.847**
Current liabilities			
Trade and other payables	122.141.170	7.382.707	129.523.877
Current income tax liabilities	4.262.484	(2.541.237)	1.721.247
Borrowings	163.999.086	(1.772.021)	162.227.065
	290.402.740	**3.069.449**	**293.472.189**
Total liabilities	**324.433.643**	**17.057.393**	**341.491.036**
Total equity and liabilities	**602.344.558**	**(45.020.912)**	**557.323.645**

5.2.3(b) Company

(Amounts in Euro thousands)	**GREEK GAAP**	**Transition to IFRS**	**IFRS**
ΕΝΕΡΓΗΤΙΚΟ			
Non-current assets			
Property, plant and equipment	6.283.821	(4.633.550)	1.650.271
Investment properties	-	5.670.000	5.670.000
Intangible assets	1.318.286	(1.318.286)	-
Investments in affiliated companies	281.186.406	(59.881.859)	221.304.547
Deferred tax assets	-	141.289	141.289
Other receivables	37.948	-	37.948
	288.826.461	**(60.022.406)**	**228.804.056**
Current assets			
Trade and other receivables	21.917.963	(1.218.336)	20.699.627
Current income tax assets	-	221.321	221.321
Cash and cash equivalents	1.130.951	-	1.130.951
	23.048.914	**(997.015)**	**22.051.899**
Total assets	**311.875.376**	**(61.019.421)**	**250.855.955**
EQUITY AND LIABILITIES			
Equity			
Share capital	13.135.755	-	13.135.755
Fair value reserves	2.011.751	(2.011.751)	-
Share premium	222.702.481	(1.001.126)	221.701.355
Other reserves	4.630.689	-	4.630.689
Retained earnings / (losses)	(335.188)	(58.006.544)	(58.341.731)
Total equity	**242.145.488**	**(61.019.421)**	**181.126.067**
Non-current liabilities			
Borrowings	8.909.865	-	8.909.865
Employee retirement benefit obligations	201.456	-	201.456
	9.111.321	**-**	**9.111.321**
Current liabilities			
Trade and other payables	46.196.374	422.193	46.618.567
Current income tax liabilities	422.193	(422.193)	-
Borrowings	14.000.000	-	14.000.000
	60.618.567	**-**	**60.618.567**
Total liabilities	**69.729.888**	**-**	**69.729.888**
Total equity and liabilities	**311.875.376**	**(61.019.421)**	**250.855.955**

5.2.4. Reconciliation of net income for the year ended 31 December 2004

5.2.4(a) Group

(Amounts in Euro)	31.12.2004 TOTAL
Total net income under Greeek GAAP	**(479.537)**
IFRS transition adjustments	
Provision for doubtful receivables	(304.435)
Revenue recognition	(1.999.727)
Defrred tax	10.351.898
Write-off of intangible assets and restatement of accumulated depreciation to reflect the useful lives of the intangible assets accepted by IFRS	(942.963)
Restatement of accumulated depreciation to reflect the useful lives of the PP&E	933.176
Restatement of employee termination benefits based on the project unit credit method and recognition of actuarial gains and losses	(6.500)
Recognition of finance lease	417.328
Property tax and capital gains tax adjustments	(1.190.598)
Income tax effects	(1.361.429)
Tax audit differences	(199.898)
Reduction in the value of the immovable asset	(41.763)
Change in affiliated company's net equity position	2.634.281
Effect of different consolidation method used for subsidiaries	213.386
Total adjustments	**8.502.756**
Total net income under IFRS	**8.023.219**

5.2.4(b) Company

(Amounts in Euro)	31.12.2004 TOTAL
Total net income under Greeek GAAP	**(584.813)**
IFRS transition adjustments	
Provision for doubtful receivables	(304.435)
Deferred tax adjustments	726.050
Restatement of accumulated depreciation to reflect the useful lives of the PP&E	142.236
Restatement of accumulated depreciation to reflect the useful lives of the Intangible assets	266.290
Property tax charged in the income statement according to Greek GAAP	(82.944)
Tax audit differences	(86.260)
Reduction in the value of the immovable asset	(41.763)
Total adjustments	**619.174**
Total net income under IFRS	**34.361**

5.2.5 Reconciliation of profit and loss account for the year ended 31 December 2004

5.2.5(a) Group

(Amounts in Euro thousands)	*12 months to 31 December 2004*		
	GREEK GAAP	**Transition to IFRS**	**IFRS**
Sales	83.748.663	(9.147.929)	74.600.734
Cost of sales	(69.861.481)	7.983.850	(61.877.630)
Gross profit	**13.887.182**	**(1.164.078)**	**12.723.104**
Selling costs	(234.122)	234.122	-
Administrative expenses	(15.754.475)	(2.329.080)	(18.083.555)
Other operating income / (expenses) - net	4.867.812	1.670.475	6.538.287
Operating profit	**2.766.398**	**(1.588.562)**	**1.177.836**
Finance costs - net	(1.932.880)	(12.325)	(1.945.205)
Extraordinary gains and non-operating income	(194.570)	194.570	-
Prior years' income	25.943	(25.943)	-
Extraordinary gain and losses	579.902	(579.902)	-
Prior years' expenses	(30.019)	30.019	-
Provisions and unused provisions	(1.481.834)	1.481.834	-
Depreciation expense not included in operating expenses	(212.476)	212.476	-
Profit before income tax	**(479.537)**	**(287.832)**	**(767.369)**
Minority interest	(500.137)	500.137	-
Income tax expense	-	8.790.588	8.790.588
Profit for the year	**(979.674)**	**9.002.892**	**8.023.218**

5.2.5(b) Company

(Amounts in Euro thousands)	*12 months to 31 December 2004*		
	GREEK GAAP	**Transition to IFRS**	**IFRS**
Sales	389.781	-	389.781
Cost of sales	(150.435)	142.236	(8.199)
Gross profit	**239.345**	**142.236**	**381.581**
Selling costs	-	-	-
Administrative expenses	(5.360.521)	(192.739)	(5.553.260)
Other operating income / (expenses) - net	5.440.882	(41.263)	5.399.619
Operating profit	**319.707**	**(91.766)**	**227.940**
Finance costs - net	(833.369)	-	(833.369)
Extraordinary gains and non-operating income	500	(500)	-
Prior years' income	-	-	-
Extraordinary losses and non-operating expenses	(150)	150	-
Prior years' expenses	-	-	-
Provisions	(71.500)	71.500	
Depreciation expense not included in operating expenses	-	-	-
Profit before income tax	**(584.813)**	**(20.615)**	**(605.428)**
Income tax expense	-	639.790	639.790
Profit for the year	**(584.813)**	**619.174**	**34.362**

6. Segment information

Primary reporting format – business segments

The Group is organised into three business segments:

(1) Aviation transport services

(2) Shipyards and Marine services

(3) Real Estate

The segment results for the year ended 31 December 2005 were as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Total gross segment sales	**5.588.500**	**17.117.811**	**53.648.203**	**76.354.514**
Inter-segment sales	-	(98.788)	(3.552.125)	(3.650.913)
Net sales	**5.588.500**	**17.019.023**	**50.096.078**	**72.703.601**
Operating profit	9.001	(8.564.695)	150.209.184	141.653.489
Finance costs	(136.000)	(1.296.097)	(4.701.643)	(6.133.740)
Profit before income tax	**(126.999)**	**(9.860.792)**	**145.507.541**	**135.519.750**
Income tax expense				(47.485.867)
Net profit				**88.033.883**

The segment results for the year ended 31 December 2004 were as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Total gross segment sales	**11.400.725**	**33.182.985**	**32.014.463**	**76.598.173**
Inter-segment sales	(355.677)	(133.830)	(1.507.932)	(1.997.439)
Net sales	**11.045.048**	**33.049.155**	**30.506.531**	**74.600.734**
Operating profit	246.635	(855.504)	1.786.705	1.177.836
Finance costs	(221.332)	(506.407)	(1.217.466)	(1.945.205)
Profit before income tax	**25.303**	**(1.361.911)**	**569.239**	**(767.369)**
Income tax expense				8.790.586
Net profit				**8.023.217**

Other segment items included in the income statement for the year ended 31 December 2005 are as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Depreciation of property, plant and equipment (note 8)	-	1.519.746	1.487.942	**3.007.687**
Amortisation of intangible assets (note 9)	-	139.926	-	**139.926**
Impairment of receivables	-	198.000	142.594	**340.594**
Impairment of inventories	-	-	6.755.517	**6.755.517**

Other segment items included in the income statement for the year ended 31 December 2004 are as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Depreciation of property, plant and equipment (note 8)	604.534	1.324.664	968.818	**2.898.016**
Amortisation of intangible assets (note 9)	-	202.026	-	**202.026**
Impairment of receivables	997.015	978.305	-	**1.975.320**
Impairment of inventories	-	-	8.900.000	**8.900.000**

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The segment assets and liabilities at 31 December 2005 are as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Assets	**-**	**67.615.625**	**825.040.953**	**892.656.578**
Liabilities	**-**	**45.738.508**	**540.071.631**	**585.810.139**
Equity	**-**	**21.877.117**	**284.969.322**	**306.846.439**
Capital expenditure (notes 7,8 and 9)	-	5.242.525	168.586.322	173.828.847

The segment assets and liabilities at 31 December 2004 are as follows:

Amounts in Euro	**Aviation transport services**	**Shipyards and Marine Services**	**Real Estate**	**Total**
Assets	**5.475.683**	**69.766.894**	**482.081.068**	**557.323.645**
Liabilities	**6.609.002**	**39.079.793**	**295.802.240**	**341.491.035**
Equity	**(1.133.319)**	**30.687.101**	**186.278.828**	**215.832.610**
Capital expenditure (notes 7,8 and 9)	296.545	16.880.161	161.946.494	179.123.200

Segment assets consist primarily of investment property, property, plant and equipment, intangible assets, inventories, receivables and cash.

Segment liabilities comprise operating liabilities.

Capital expenditure comprises acquisitions of investment property, property, plant and equipment and intangible assets.

B. Secondary reporting format – geographical segments

The home-country of the Company – which is also the main operating country – is Greece. The Group's sales are mainly in Greece and in Romania.

	Sales	Total assets	Capital expenditure
Amounts in Euro	**1.1.2004 to 31.12.2004**	**31.12.2004**	**1.1.2004 to 31.12.2004**
Greece	65.036.663	551.961.681	179.123.200
Romania	9.564.071	5.361.964	-
Total	**74.600.734**	**557.323.645**	**179.123.200**

	Sales	Total assets	Capital expenditure
Amounts in Euro	**1.1.2005 to 31.12.2005**	**31.12.2005**	**1.1.2005 to 31.12.2005**
Greece	68.044.640	890.357.572	173.828.847
Romania	4.658.961	2.299.007	-
Total	**72.703.601**	**892.656.579**	**173.828.847**

Sales are allocated based on the country in which the customer is located. Capital expenditure is allocated based on where the assets are located.

C. Analysis of sales by category

Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
General Mechanical works	1.742.724	2.429.761
Shipping repairs	4.472.957	11.708.485
Yachts repairs	3.033.632	11.929.711
Development and sale of property	31.447.427	1.182.740
Wholesale of waste materials	17.542	38.736
Non-scheduled air transportation	1.431.774	5.713.040
Cargo distribution	-	1.694.228
Other auxiliary land transportation	912.673	191.171
Other auxiliary water transportation services	7.574.070	7.076.292
Other auxiliary air transportation services	4.156.726	17.199.725
Leasing of real estate property	8.131.745	8.591.245
Real estate management	2.449.420	726.028
Consulting on software matters and software procurement	1.712.743	985.610
Architects - Engineer services	5.620.168	5.133.962
Total	**72.703.601**	**74.600.734**

7. Investment property

Amounts in Euro	GROUP 31.12.2005	GROUP 31.12.2004	COMPANY 31.12.2005	COMPANY 31.12.2004
At the beginning of year	**55.034.228**	**55.034.228**	**5.670.000**	**5.670.000**
Additions from acquisitions of new property	2.307.480	-	1.840.441	-
Additions resulting from subsequent expenditure	45.384.072			
Transfer from Property, plant & equipment (Note 8)	342.622.158	-	-	-
Disposals	(1.970.000)	-	(1.970.000)	-
Fair Value Adjustments (Note 25)	159.325.055	-	(45.000)	-
At the end of year	**602.702.993**	**55.034.228**	**5.495.441**	**5.670.000**

Included in the above amounts are finance lease assets with a value of €12,1 m (2004: € 10,4 m). Moreover, property leased under operational leases of approximately €150,56 m is also included.

At 31 December 2004 investment properties are presented at their fair values as at 1 January 2004 as had been calculated by independent professionally qualified valuers, and have not been adapted to reflect the fair values of the investment properties as at 31 December 2004. These valuations were available to management after the date of publication of the financial statements for the first quarter of 2005, whereto the financial statements for the period ending 31 December 2004 were also published for first time in accordance with IFRS. The management believes that the fair values of the investment properties did not change significantly between 1 January 2004 and 31 December 2004.

Of the total fair value movement that was recognized in 2005, €154,5 m concerns two investment properties (THE MALL and MEDITTERANEAN COSMOS) which were completed during 2005. At 31 December 2004 the aforementioned investment properties were under construction and consequently were presented at cost in Assets under construction.

An amount of €13m is included in the acquisitions which relates to the transfer tax arising from the purchase of the land from OEK where THE MALL has been constructed. The transfer was concluded on 1 February 2006.

Regarding the securities and mortgages on the properties of the Group see notes 8 and 17.

8. Property, plant and equipment

Amounts in Euro	Land and buildings	Vehicles and machinery	Furniture and other equipment	Software	Assets under construction	Total
GROUP - Cost						
1 January 2004	**12.130.546**	**22.395.951**	**1.674.946**	**853.295**	**71.548.632**	**108.603.370**
Additions	83.882.646	547.029	17.436	884.953	90.588.211	175.920.275
31 December 2004	**96.013.192**	**22.942.980**	**1.692.382**	**1.738.248**	**162.136.843**	**284.523.645**
1 January 2005	**96.013.192**	**22.942.980**	**1.692.382**	**1.738.248**	**162.136.843**	**284.523.645**
Disposal of subsidiaries and joint ventures	(48.112)	(2.582.687)	(55.182)	-	(99.389)	(2.785.368)
Additions	6.503	1.010.918	859.723	595.757	123.664.395	126.137.295
Disposals	-	(361.528)	-	-	-	(361.528)
Reclassifications	8.318.284	8.020.270	-	-	(16.338.554)	-
Reclassifications to Investment Property (Note7)	(80.598.201)	-	-	-	(262.023.957)	(342.622.158)
31 December 2005	**23.691.667**	**29.029.953**	**2.496.923**	**2.334.005**	**7.339.338**	**64.891.886**
Accumulated depreciation						
1 January 2004	**(14.510)**	**(9.319.449)**	**(370.314)**	**(509.773)**	**-**	**(10.214.046)**
Depreciation charge	(137.613)	(2.185.074)	(318.131)	(257.198)	-	(2.898.016)
31 December 2004	**(152.123)**	**(11.504.523)**	**(688.445)**	**(766.971)**	**-**	**(13.112.062)**
1 January 2005	**(152.123)**	**(11.504.523)**	**(688.445)**	**(766.971)**	**-**	**(13.112.062)**
Disposal of subsidiaries and joint ventures	-	3.493	12.311	-	-	15.804
Depreciation charge	(774.067)	(1.323.269)	(379.837)	(530.515)	-	(3.007.688)
Disposals	-	345.901	-	-	-	345.901
31 December 2005	**(926.190)**	**(12.478.397)**	**(1.055.971)**	**(1.297.486)**	**-**	**(15.758.045)**
Net book value at 31 December 2004	**95.861.069**	**11.438.457**	**1.003.937**	**971.277**	**162.136.843**	**271.411.583**
Net book value at 31 December 2005	**22.765.477**	**16.551.556**	**1.440.952**	**1.036.519**	**7.339.338**	**49.133.841**

Amounts in Euro	Land and buildings	Vehicles and machinery	Furniture and other equipment	Software	Assets under construction	Total
COMPANY - Cost						
1 January 2004	**110.584**	**-**	**652.009**	**663.288**	**-**	**1.425.881**
Additions	44.454	-	322.551	997.267	3.540	1.367.811
31 December 2004	**155.038**	**-**	**974.559**	**1.660.555**	**3.540**	**2.793.692**
1 January 2005	**155.038**	**-**	**974.559**	**1.660.555**	**3.540**	**2.793.692**
Additions	-	8.137	15.689	512.826	-	536.652
Disposals / Write-offs	-	(6.955)	-	-	-	(6.955)
31 December 2005	**155.038**	**1.182**	**990.249**	**2.173.380**	**3.540**	**3.323.389**
Accumulated depreciation						
1 January 2004	**(14.510)**	**-**	**(234.290)**	**(467.380)**	**-**	**(716.180)**
Depreciation charge	(8.199)	-	(161.844)	(257.198)	-	(427.241)
31 December 2004	**(22.709)**	**-**	**(396.134)**	**(724.578)**	**-**	**(1.143.421)**
1 January 2005	**(22.709)**	**-**	**(396.134)**	**(724.578)**	**-**	**(1.143.421)**
Depreciation charge	(12.403)	(130)	(218.953)	(442.880)	-	(674.366)
31 December 2005	**(35.112)**	**(130)**	**(615.086)**	**(1.167.459)**	**-**	**(1.817.787)**
Net book value at 31 December 2004	**132.329**	**-**	**578.426**	**935.976**	**3.540**	**1.650.271**
Net book value at 31 December 2005	**119.926**	**1.052**	**375.162**	**1.005.922**	**3.540**	**1.505.602**

Bank borrowings are secured with mortgages on land and buildings for the value of €442,1m (2004: € 16,5m) (note 17).

9. Intangible assets

Amounts in Euro	Concessions and similar rights	Total
GROUP - Cost		
1 January 2004	**2.266.000**	**2.266.000**
Additions	3.202.925	3.202.925
31 December 2004	**5.468.925**	**5.468.925**
1 January 2005	**5.468.925**	**5.468.925**
Additions	-	-
31 December 2005	**5.468.925**	**5.468.925**
Accumulated depreciation		
1 January 2004	**(118.750)**	**(118.750)**
Depreciation charge	(202.026)	(202.026)
31 December 2004	**(320.776)**	**(320.776)**
1 January 2005	**(320.776)**	**(320.776)**
Depreciation charge	(139.926)	(139.926)
31 December 2005	**(460.702)**	**(460.702)**
Net book value at 31 December 2004	**5.148.149**	**5.148.149**
Net book value at 31 December 2005	**5.008.223**	**5.008.223**

Included in concessions and rights, are the licences for the management and the operation of the Flisvo Marina. These are valued at cost less accumulated amortization which is calculated using the straight-line method over the useful life of the concession, which is 40 years.

10. Investments in subsidiaries

(a) Company

	COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**
Balance at the beginning of the period	**221.304.547**	**190.323.243**
Additions	42.596.414	30.981.305
Disposals	(9.255.493)	-
Balance at the end of the period	**254.645.469**	**221.304.548**

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Summarised financial information relating to subsidiaries:

COMPANY	**31 December 2005**				
Name	**Cost**	**Impairment**	**Carrying amount**	**Country of incorporation**	**% interest held**
Amounts in Euro					
LAMDA ESTATE DEVELOPMENT AE	52.654.314	13.163.962	39.490.352	Greece	100,00%
LAMDA PRIME PROPERTIES	12.331.598	-	12.331.598	Greece	100,00%
LAMDA ΕΡΓΑ ΑΝΑΠΤΥΞΗΣ ΑΕ	69.999	-	69.999	Greece	100,00%
LAMDA ΔΟΜΗ ΑΕ	69.999	-	69.999	Greece	100,00%
LAMDA PROPERTY MANAGEMENT AE	209.999	-	209.999	Greece	100,00%
LAMDA OLYMPIA VILLAGE AE	160.560.916	38.693.042	121.867.874	Greece	98,48%
LAMDA HELLIX AE	510.000	-	510.000	Greece	85,00%
LAMDA SHIPYARDS & MARINE SERVICES AE	16.538.188	1.036.607	15.501.581	Greece	75,00%
ΠΥΛΑΙΑ ΑΕ	27.467.947	-	27.467.947	Greece	60,10%
LAMDA TECHNOL FLISVOS HOLDING AE	6.807.949	2.484.000	4.323.949	Greece	45,00%
LAMDA AKINHTA AE	4.168.594	10	4.168.584	Greece	50,00%
LAMDA OLYMPIC SRL	2.432.505	838.027	1.594.477	Romania	50,00%
EFG EUROBANK PROPERTIES AE	26.757.150	-	26.757.150	Greece	13,20%
ECE LAMDA HELLAS AE	204.000	-	204.000	Greece	34,00%
LAMDA DEVELOPMENT BEOGRAD	12.130	-	12.130	Serbia	100,00%
LAMDA DEVELOPMENT ROMANIA ΕΠΕ	500	-	500	Romania	100,00%
EFG EUROBANK PROPERTIES ROMANIA	29.989	-	29.989	Romania	20,00%
EFG EUROBANK PROPERTIES SOFIA	15.340	-	15.340	Bulgaria	20,00%
EFG EUROBANK PROPERTIES BEOGRAD	20.000	-	20.000	Serbia	20,00%
	310.861.117	**56.215.648**	**254.645.469**		

COMPANY	**31 December 2004**				
Name	**Cost**	**Impairment**	**Carrying amount**	**Country of incorporation**	**% interest held**
Amounts in Euro					
LAMDA ESTATE DEVELOPMENT AE	52.654.314	13.163.962	39.490.352	Greece	100,00%
LAMDA PRIME PROPERTIES	12.331.598	-	12.331.598	Greece	100,00%
LAMDA ΕΡΓΑ ΑΝΑΠΤΥΞΗΣ ΑΕ	69.999	-	69.999	Greece	100,00%
LAMDA ΔΟΜΗ ΑΕ	69.999	-	69.999	Greece	100,00%
LAMDA PROPERTY MANAGEMENT AE	209.999	-	209.999	Greece	100,00%
LAMDA DEVELOPMENT ΕΠΕ Βελιγράδι	12.130	-	12.130	Serbia	100,00%
LAMDA DEVELOPMENT ROMANIA ΕΠΕ	500	-	500	Romania	100,00%
LAMDA OLYMPIA VILLAGE AE	160.560.916	38.693.042	121.867.874	Greece	98,48%
LAMDA HELLIX AE	510.000	-	510.000	Greece	85,00%
LAMDA SHIPYARDS & MARINE SERVICES AE	16.538.188	1.036.607	15.501.581	Greece	75,00%
ΠΥΛΑΙΑ ΑΕ	6.793.547		6.793.547	Greece	60,10%
LAMDA TECHNOL FLISVOS HOLDING AE	6.807.949	2.484.000	4.323.949	Greece	45,00%
LAMDA AKINHTA AE	4.168.594	10	4.168.584	Greece	50,00%
SWISSPORT LAMDA ΕΛΛΑΣ ΑΕ	3.666.211	3.666.211		Greece	50,00%
LAMDA OLYMPIC SRL	4.008.255	838.027	3.170.227	Romania	50,00%
EFG EUROBANK PROPERTIES AE	12.784.207	-	12.784.207	Greece	29,90%
	281.186.406	**59.881.859**	**221.304.548**		

In 2004 the Company increased the share capital of the company ΠΥΛΑΙΑ Α.Ε.. The increase of the share capital was covered by the existing shareholders based on the proportionate holdings held by each in the share capital of company ΠΥΛΑΙΑ Α.Ε..

On 28 June 2005 the company LAMDA Development S.A. sold 100% of the shares that it held in her subsidiary company Swissport Lamda, which corresponds with the 50% of the total participating capital of company, and which had a NIL accounting value in the LAMDA Development S.A for a price of €2.105.263. The agreement was concluded in the framework of focusing the company's activities on the sector of real estate development. On 28/06/2005 the company transferred its shareholding in the company SWISSPORT LAMDA GREECE S.A. Accordingly SWISSPORT LAMDA GREECE S.A. as well as her subsidiary companies SWISSPORT GREECE CARGO S.A. and WSW SKYCAP SERVICES S.A. have been consolidated in the financial results up until the date of transfer of the shares.

On 10 August 2005 the holding company transferred 16,7% of the total share capital of the company EFG Eurobank Properties S.A. which resulted in the shareholding in the above-mentioned company decreased from 29,9% in 13,2% of the total EFG Eurobank Properties S.A. shares. The above percentage was sold to EFG Eurobank Ergasias S.A. for €12.497.916 and which is likely to adjust, either upwards or downwards, according to the special terms of the sale agreement if and provided that the shares of EFG Eurobank Properties become listed on the Athens Stock Exchange in the future. Thereafter the holding company will participate in the increase of share capital of above-mentioned company by paying in the sum of € 21.114.486, without it altering its participation.

(b) Group

	GROUP	
Amounts in Euro	**31.12.2005**	**31.12.2004**
Balance at the beginning of the period	**22.010.567**	**18.661.123**
Profits from affiliated companies	3.950.496	4.018.478
Additions	22.011.008	-
Disposals	(13.201.409)	(669.034)
Balance at the end of the period	**34.770.662**	**22.010.567**

The total assets, liabilities, sales and net income of related companies is analysed below:

31 December 2005

Name	**Total assets**	**Liabilities**	**Sales**	**Net profits / losses**	**Country of incorporation**	**% interest held**
EFG EUROBANK PROPERTIES AE	310.792.000	51.824.000	16.864.000	27.071.000	Greece	13,2%
EFG PROPERTIES ROMANIA	254.780	80.706	383.132	26.518	Romania	20,0%
EFG PROPERTIES SOFIA	185.324	19.179	149.867	89.450	Bulgaria	20,0%
EFG PROPERTIES BEOGRAD	61.523	634	8.018	(38.889)	Serbia	20,0%
ECE LAMDA HELLAS AE	780.977	137.665	462.592	16.115	Greece	34,0%
MC PROPERTY MANAGEMENT	336.000	270.000	459.000	36.000	Greece	25,0%
4K DEVELOPMENT PROPERTIES AE	1.680.148	717	-	3.417	Greece	30,0%
LAMDA MED	982.531	1.041.654	-	(39.851)	Romania	40,0%

The Company continues to consolidate EFG Eurobank Properties SA under equity method after the aforementioned sale, despite the fact that it participates with a percentage lower of 20%, since management retains significant influence over the company.

The subsidiary LAMDA DEVELOPMENT BEOGRAD is not consolidated due to its insignificance.

11. Deferred income tax

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

The amounts which have not been offset are as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Deferred tax liabilities:	**57.804.053**	**8.226.829**	**65.643**	**32.151**
Deferred tax assets:	**13.140.809**	**9.793.421**	**205.358**	**173.440**
	(44.663.244)	**1.566.593**	**139.715**	**141.289**

The amounts which have been offset are as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Balance at the beginning of the period	**1.566.593**	**(8.934.097)**	**141.289**	**(656.524)**
Disposal of subsidiaries and joint ventures	89.895	-	-	-
Charged to the income statement (note 24)	(46.396.185)	10.351.897	(41.189)	726.050
Income tax charged to equity	76.453	148.793	39.615	71.763
Balance at the end of the period	**(44.663.243)**	**1.566.593**	**139.715**	**141.289**

The significant portion of the deferred tax assets is to be recovered after more than 12 months.

The gross movement on the deferred income tax account is as follows:

At the Company level, of the total amount that was charged to the Income Statement the amounts of € (4.261) and €68.067 concern the reduction of the tax rate for 2005 and 2004 respectively.

At the Company level, of the total amount that was charged to shareholders equity the amounts of €4.098 and €6.728 concern the reduction in tax rate for 2005 and 2004 respectively.

At the Group level, of the total amount that was charged to the Income Statement the amounts of € (4.799.605) and € 970.490 concern the reduction in the tax rate for 2005 and 2004 respectively.

At the Group level, of the total amount that was charged to shareholders equity the amounts of € 7.909 and € 13.949 concern the reduction in the tax rate for 2005 and 2004 respectively.

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

Deferred tax liabilities:

GROUP *(Amounts in Euro thousands)*	**Accelerated tax depreciation**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**13.227.406**	**-**	**4.369.679**	**17.597.085**
Charged / (credited) to the income statement	(9.322.423)	834.081	(881.914)	(9.370.256)
31 December 2004	**3.904.983**	**834.081**	**3.487.765**	**8.226.829**
1 January 2005	**3.904.983**	**834.081**	**3.487.765**	**8.226.829**
Charged / (credited) to the income statement	1.590.162	(834.081)	48.911.038	49.667.119
Disposal of subsidiaries and joint ventures	-	-	(89.895)	(89.895)
31 December 2005	**5.495.145**	**-**	**52.308.908**	**57.804.053**

COMPANY *(Amounts in Euro thousands)*	**Accelerated tax depreciation**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**704.113**	**-**	**-**	**704.113**
Charged / (credited) to the income statement	(671.962)	-	-	(671.962)
31 December 2004	**32.151**	**-**	**-**	**32.151**
1 January 2005	**32.151**	**-**	**-**	**32.151**
Charged / (credited) to the income statement	(32.151)	-	65.643	33.491
31 December 2005		**-**	**65.643**	**65.643**

Deferred tax assets:

GROUP *(Amounts in Euro thousands)*	**Write off of intangible assets**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**608.849**	**-**	**8.054.138**	**8.662.987**
Charged / (credited) to the income statement	(17.165)	288.000	710.806	981.641
Charged / (credited) to equity	(36.222)	-	185.014	148.793
31 December 2004	**555.463**	**288.000**	**8.949.958**	**9.793.421**
1 January 2005	**555.463**	**288.000**	**8.949.958**	**9.793.421**
Charged / (credited) to the income statement	(69.907)	(288.000)	3.628.843	3.270.936
Charged / (credited) to equity	33.622	-	42.830	76.452
31 December 2005	**519.178**	**-**	**12.621.631**	**13.140.809**

COMPANY *(Amounts in Euro thousands)*	**Write off of intangible assets**	**Revenue recognition**	**Other**	**Total**
1 January 2004	**-**	**-**	**47.589**	**47.589**
Charged / (credited) to the income statement	-	-	54.088	54.088
Charged / (credited) to equity	-	-	71.763	71.763
31 December 2004	**-**	**-**	**173.440**	**173.440**
1 January 2005	**-**	**-**	**173.440**	**173.440**
Charged / (credited) to the income statement	-	-	(7.698)	(7.698)
Charged / (credited) to equity	-	-	39.615	39.615
31 December 2005	**-**	**-**	**205.357**	**205.357**

We note that the bigger part of "Other" derives from changes in the fair value of investment properties. The Group did not calculate a deferred tax asset on the tax losses.

12. Inventories

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Merchandise	1.302.485	5.281.108	-	-
Land and raw materials	86.121.707	107.076.482	-	-
Consumables and other	270.838	182.244	-	-
Total	**87.695.030**	**112.539.834**	**-**	**-**
Less: Provisions for obsolete and slow-moving inventories:				
Land and raw materials	6.755.517	8.900.000	-	-
	6.755.517	**8.900.000**	**-**	**-**
Total net realisable value	**80.939.513**	**103.639.834**	**-**	**-**

13. Receivables

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Trade receivables	22.284.737	30.528.526	746.479	2.638.917
Less: provision for impairment	(1.345.515)	(1.975.320)	-	(997.015)
Trade receivables - net	**20.939.221**	**28.553.206**	**746.479**	**1.641.902**
Prepayments and other receivables [(a)]	17.038.111	18.560.969	2.112.452	127.273
VAT receivable [(b)]	42.002.266	22.282.619	-	-
Amounts due from related parties (Note 29)	-	-	5.900.341	18.968.400
Borrowings to related parties (Note 29)	192.700	-	618.745	-
Total	**80.172.298**	**69.396.794**	**9.378.018**	**20.737.575**
Non-current assets	3.060.183	655.518	2.338.084	37.948
Current assets	77.112.115	68.741.276	7.039.934	20.699.627
	80.172.298	**69.396.794**	**9.378.018**	**20.737.575**

Included in prepayments and other receivables is an amount of €7,8 m (2004: €7,1 m) which relates to a claim by Hellenic Touristic Properties (ETA) with the subsidiary Lamda Technol Flisvos Marina and which concern development expenses of Flisvo Marina for which the subsidiary was burdened on ETA's behalf. Refer to note 19 as regards the subsidiary's liability to ETA for rental amounts owing.

Included in VAT receivable are amounts totalling €40,8 m (2004: €19,8 m) which relate to VAT paid on the building costs of the shopping malls, and which are expected to be refunded. Management believes that these amounts will be offset with future VAT payables. However, given that the nature of the business that is practised by the companies constitutes an unusual form of activity for the Greek market, it should be pointed out that the Greek Tax Authorities have up to today not expressly accepted the existence of the right to a tax deduction. Consequently, the income (either via a return or via an offsetting with VAT outflows of future periods) the receivable in question depends on whether the right to a tax deduction becomes acceptable from the responsible authorities.

The Company has recognised a loss of €25.594 (2004: €304.435) for the impairment of its trade receivables during 2005.

The Group has recognised a loss of €340.594 (2004: €1.975.320) for the impairment of its trade receivables during 2005. The loss has been included in 'administration costs' in the income statement.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of dispersed customers.

14. Cash and cash equivalents

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cash at bank and in hand	36.429.823	24.408.860	4.291.681	1.130.951
Short-term bank deposits	400.000	-	-	-
Total	**36.829.823**	**24.408.860**	**4.291.681**	**1.130.951**

The effective interest rate on short-term bank deposits was 3,29%.

The above comprise the cash and cash equivalents used for the purposes of the cash flow statement.

15. Share capital

Amounts in Euro	**Number of shares**	**Ordinary shares**	**Share premium**	**Total**
GROUP				
1 January 2004	**43.592.950**	**13.077.885**	**221.340.241**	**234.418.126**
Employee share option scheme	192.900	57.870	361.114	418.984
31 December 2004	**43.785.850**	**13.135.755**	**221.701.355**	**234.837.110**
1 January 2005	**43.785.850**	**13.135.755**	**221.701.355**	**234.837.110**
Employee share option scheme	244.100	73.230	967.752	1.040.982
31 December 2005	**44.029.950**	**13.208.985**	**222.669.107**	**235.878.092**

16. Other reserves

Amounts in Euro	Statutory reserve	Special reserve	Extraordinary reserves	Tax-free reserve	Forex translation differences	Total
GROUP						
1 January 2004	**1.492.369**	**66.660**	**74.835**	**3.783.969**	**-**	**5.417.833**
Exchange differences	-	-	-	-	(1.262.434)	(1.262.434)
Changes during the year	110.596	(37.707)	-	-	-	72.889
31 December 2004	**1.602.965**	**28.953**	**74.835**	**3.783.969**	**(1.262.434)**	**4.228.288**
1 January 2005	**1.602.965**	**28.953**	**74.835**	**3.783.969**	**(1.262.434)**	**4.228.288**
Exchange differences	-	-	-	-	1.698.662	1.698.662
Changes during the year	56.500	21	-	-	-	56.520
31 December 2005	**1.659.465**	**28.974**	**74.835**	**3.783.969**	**436.228**	**5.983.470**

Amounts in Euro	Statutory reserve	Special reserve	Extraordinary reserves	Tax-free reserve	Forex translation differences	Total
COMPANY						
1 January 2004	**834.540**	**-**	**74.835**	**3.721.313**	**-**	**4.630.689**
Changes during the year	-	-	-	-	-	-
31 December 2004	**834.540**	**-**	**74.835**	**3.721.313**	**-**	**4.630.689**
1 January 2005	**834.540**	**-**	**74.835**	**3.721.313**	**-**	**4.630.689**
Changes during the year	-	-	-	-	-	-
31 December 2005	**834.540**		**74.835**	**3.721.313**		**4.630.689**

(a) Statutory reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore can not be used for any other purpose.

(b) Special and extraordinary reserves

The special reserve includes a reserve that was created following a decision of the Annual General meeting in prior periods. This reserve was not created for any specific purpose and can therefore be used for any reason following approval from the Annual General meeting. These reserves also include reserves which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Tax free reserve

Tax-free and special taxed reserves are created under the provisions of tax law from tax free profits or from income or profits taxed under special provisions.

The above-mentioned reserves can be capitalised or distributed, after the approval of the Annual General meeting, after taking into consideration the restrictions which will apply at each time. The Group does not intent to distribute or capitalise these reserves and therefore did not account for the tax liability which would arise in such case.

17. Borrowings

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Non-current borrowings				
Bank borrowings	14.236.689	30.310.672	8.320.689	8.909.865
Finance lease liabilities	12.317.240	12.934.469	-	-
Bonds	99.120.000	-	23.000.000	-
Total non-current borrowings	**125.673.929**	**43.245.141**	**31.320.689**	**8.909.865**
Current borrowings				
Bank borrowings	236.452.715	161.606.193	21.020.006	14.000.000
Finance lease liabilities	595.211	620.872	-	-
Total current borrowings	**237.047.926**	**162.227.065**	**21.020.006**	**14.000.000**
Total borrowings	**362.721.855**	**205.472.206**	**52.340.695**	**22.909.865**

Borrowings are secured by mortgages on the Group's land and buildings (note 7).

The maturity of non-current borrowings is as follows:

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Between 1 and 2 years	26.089.368	1.410.040	23.000.000	-
Between 2 and 5 years	87.904.560	25.995.356	8.320.689	8.909.865
Over 5 years	11.680.002	15.839.745	-	-
	125.673.929	**43.245.141**	**31.320.689**	**8.909.865**

The effective weighted average interest rates at the balance sheet date are as follows:

	GROUP		COMPANY	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
	%	**%**	**%**	**%**
Bank borrowings (current)	4,87%	4,79%	4,59%	4,76%
Bank borrowings (non-current)	4,74%	4,67%	4,04%	4,04%
Bonds	4,33%	0,00%	4,40%	0,00%

Finance leases

The present value of finance lease liabilities is analyzed as follows:

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	1.260.522	1.359.517	-	-
Later than 1 year but not later than 5 years	6.875.577	6.760.983	-	-
Over 5 years	10.468.121	11.865.254	-	-
Total	**18.604.220**	**19.985.754**	**-**	**-**
Less: Future finance charges on finance leases	(5.691.769)	(6.430.413)	-	-
Present value of finance lease liabilities	**12.912.451**	**13.555.341**	**-**	**-**

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Not later than 1 year	595.211	620.872	-	-
Later than 1 year but not later than 5 years	3.857.474	3.590.567	-	-
Over 5 years	8.459.766	9.343.902	-	-
Total	**12.912.451**	**13.555.341**	**-**	**-**

Some of the loans given to subsidiaries have been secured with assignment of receivables.

18. Retirement benefit obligations

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Balance sheet obligations for:				
Pension benefits	583.332	954.731	173.098	201.456
Total	**583.332**	**954.731**	**173.098**	**201.456**

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Income statement charge (note 22):				
Pension benefits	149.421	79.500	57.612	71.500
Total	**149.421**	**79.500**	**57.612**	**71.500**

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Present value of unfunded obligations	670.636	1.106.212	202.125	233.420
Unrecognised actuarial losses	(84.054)	(144.254)	(29.028)	(30.439)
Unrecognised past service cost	(3.249)	(7.227)	-	(1.525)
Liability in the balance sheet	**583.332**	**954.731**	**173.098**	**201.456**

The amounts recognised in the income statement are as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Current service cost	137.427	73.914	22.971	66.476
Interest cost	27.482	13.738	10.004	12.355
Losses due to redundancies	(15.488)	(8.151)	24.637	(7.331)
Total included in employee benefit expenses (note 22)	**149.421**	**79.500**	**57.612**	**71.500**

The movement in the liability recognised in the balance sheet is as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Balance at beginning of the period	**954.731**	**875.231**	**201.456**	**129.956**
Disposal of subsidiaries and joint ventures	(350.196)	-	-	-
Redundancy payments made	(170.624)	-	(85.970)	-
Total expense charged in the income statement	149.421	79.500	57.612	71.500
Balance at end of the period	**583.332**	**954.731**	**173.098**	**201.456**

The principal annual actuarial assumptions used are as follows:

	GROUP		COMPANY	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Discount rate	4,00%	5,00%	4,00%	5,00%
Future salary increases	4,00%	4,00%	4,00%	4,00%

19. Trade and other payables

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Trade payables	39.428.014	33.251.148	366.376	328.048
Amounts due to related parties (note 29)	-	-	60.141	246.000
Social security and other taxes	3.172.703	2.423.304	674.094	516.538
Unearned and deferred income	5.433.405	9.090.277	-	-
Accrued expenses	1.209.739	1.311.354	398.498	169.677
Customer prepayments	3.848.061	2.854.876	54.841	-
Liability to the Municipality of Amarousiou (a)	34.008.385	45.078.706	34.008.385	45.078.706
Liability to ETA (b)	8.907.999	189.860	-	-
Other liabilities ©	80.857.260	35.894.136	210.951	279.597
Total	**176.865.566**	**130.093.661**	**35.773.286**	**46.618.566**

Analysis of obligations:

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Non-current	1.418.522	569.785	36.148	-
Current	175.447.044	129.523.876	35.737.138	46.618.566
Total	**176.865.566**	**130.093.661**	**35.773.286**	**46.618.566**

a) The liability to the Municipality of Amarousion concerns an amount for the purchase of the company Lamda Olympia Village (former ΔΗ.ΜΕ.ΠΑ). The balance will be paid off within the next two years.

b) The liability to ETA concerns the rents payable by the subsidiary LAMDA TECHNOL FLISVOS MARINA for the Flisvos Marina. See note 13 for the receivable amount receivable from ETA which concerns development expenses for which the subsidiary company was burdened on behalf of ETA. The amount payable by the subsidiary company to ETA was under arbitration as at the balance-sheet date. Management believes that no significant additional obligations will arise from this case.

c) Included in Other payables at 31 December 2005 is an amount of €77,4 m (2004: €32 m) which concerns provisions for completion costs for the investment properties in subsidiary companies.

20. Provisions

Amounts in Euro	**Employee leave provision**	**Other provisions**	**Σύνολο**
GROUP			
1 January 2005	**-**	**-**	**-**
Additional provisions for the period	366.035	1.790	367.825
Provisions utilised during the period	-	(652)	(652)
31 December 2005	**366.035**	**1.138**	**367.173**

Amounts in Euro	**Employee leave provision**	**Σύνολο**
COMPANY		
1 January 2005	**-**	**-**
Additional provisions for the period	279.895	279.895
31 December 2005	**279.895**	**279.895**

21. Expenses by nature

	GROUP		COMPANY	
Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Employee benefit expense (Note 22)	15.836.764	19.967.321	4.763.313	2.641.745
Inventory cost recognised in cost of goods sold	29.404.373	17.995.076	-	-
Depreciation of property, plant and equipment	3.007.688	2.898.016	674.366	427.241
Repairs and maintenance expenses	546.585	-	155.349	-
Amortisation of intangible assets	139.926	202.026	-	-
Operating lease payments	8.845.798	2.388.484	485.699	324.389
Impairment of receivables	340.594	1.975.320	25.594	304.435
Impairment of inventory	6.755.517	8.900.000	-	-
Promotion and publication expenses	4.856.889	1.987.295	131.673	206.231
Other professional fees	2.304.019	2.958.768	701.131	548.752
Subcontractors	521.191	2.204.833	-	-
Other Taxes	1.343.800	1.190.598	381.998	397.489
Other expenses	28.028.293	17.293.448	1.949.657	711.177
Total	**101.931.437**	**79.961.185**	**9.268.781**	**5.561.459**
Allocated as follows				
Cost of sales	74.391.297	61.877.630	3.374.479	8.199
Administrative expenses	27.540.140	18.083.555	5.894.302	5.553.260
	101.931.437	**79.961.185**	**9.268.781**	**5.561.459**

Depreciation expenses of €1.981.068 (2004: €2.902.258) are included in the cost of sales and €1.166.546 (2004: € €197.784) are included in the administration expenses of the Group (Note 8 & 9).

Depreciation expenses of €674.366 (2004: €427.241) are included in the administration expenses of the Company (Note 8 & 9).

22. Employee benefits

	GROUP		COMPANY	
Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Salaries and wages	13.020.548	15.559.248	3.787.761	2.008.126
Social security costs	1.733.046	3.551.516	545.224	328.035
Retirement benefit expenses (Note 18)	149.421	79.500	57.612	71.500
Other employee benefit expenses	933.749	777.057	372.716	234.084
Total	**15.836.764**	**19.967.321**	**4.763.313**	**2.641.745**

23. Finance costs – net

Amounts in Euro	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Interest expense				
-Bank borrowings	(5.643.209)	(1.638.019)	(2.077.484)	(1.216.357)
- Finance leases	(737.940)	(878.303)	-	-
	(6.381.149)	(2.516.322)	(2.077.484)	(1.216.357)
Interest income	206.935	560.413	13.400	382.988
	(6.174.214)	(1.955.909)	(2.064.084)	(833.369)
Net foreign exchange gains / (losses)	40.474	10.704	-	-
Total	**(6.133.740)**	**(1.945.205)**	**(2.064.084)**	**(833.369)**

24. Income tax expense

Amounts in Euro	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Current tax	(1.089.682)	(1.561.311)	-	(86.260)
Deferred tax (note 11)	(46.396.185)	10.351.897	(41.189)	726.050
Total	**(47.485.867)**	**8.790.586**	**(41.189)**	**639.790**

Amounts in Euro	GROUP 1.1.2005 to 31.12.2005	GROUP 1.1.2004 to 31.12.2004	COMPANY 1.1.2005 to 31.12.2005	COMPANY 1.1.2004 to 31.12.2004
Profit before tax	135.519.750	(767.369)	5.519.267	(605.428)
Tax calculated at domestic tax rate applicable to profits in the respective countries	(43.366.320)	268.579	(1.766.166)	211.900
Income not subject to tax	3.459.074	13.527.864	1.326.066	1.853.403
Expenses not deductible for tax purposes	(1.716.102)	(1.179.212)	(379.868)	(222.135)
Effect of declining tax rates	5.114.015	127.547	111.682	(618)
Additional tax expense on sales	(58.962)	(99.106)	-	-
Tax losses of current period carried forward	(10.967.023)	(4.161.800)	-	(1.116.499)
Utilisation of tax losses brought forward	681.221	506.545	667.097	-
Differences arising from tax audit	(631.770)	(199.829)	-	(86.260)
Tax charge	**(47.485.867)**	**8.790.586**	**(41.190)**	**639.790**

25. Other operating income / (expenses) - net

	GROUP		COMPANY	
Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Income from affiliated companies	3.950.496	4.018.478	-	-
Dividend income	-	-	898.950	3.239.856
Insurance compensation	149.899	-	-	-
Profit on disposal of shareholdings	4.991.703	-	9.127.700	-
Other	2.464.172	2.519.809	779.814	2.159.763
Total	**11.556.270**	**6.538.287**	**10.806.464**	**5.399.619**

26. Cash generated from operations

		GROUP		COMPANY	
Amounts in Euro	**Notes**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Profit for the year		88.033.883	8.023.217	5.478.078	34.362
Adjustments for:					
Tax	24	47.485.867	(8.790.586)	41.189	(639.790)
Depreciation of property, plant and equipment	8	3.007.688	2.898.016	674.366	427.241
Amortisation of intangible assets	9	139.926	202.026	-	-
Impairment of receivables		340.594	1.975.320	25.594	304.435
Impairment of invetory		6.755.517	8.900.000	-	-
Share option scheme		521.924	-	521.924	-
Gain on sale of property, plant and equipment		(649.613)	-	(330.000)	-
Gains from the sale of shareholdings in investments	25	(4.991.703)	(10.966)	(9.127.700)	-
Other provisions	20	367.173	-	279.895	-
Retirement benefit obligations expense	18	149.421	79.500	57.612	71.500
Interest income	23	(206.935)	(560.413)	(13.400)	(382.988)
Interest expense	23	6.381.149	2.516.322	2.077.484	1.216.357
Income from investments / Dividends received	25	(3.950.496)	(4.018.478)	(898.950)	(3.239.856)
Exchange (gains) / losses		1.698.662	(1.262.434)	-	-
Fair value gains/ (losses) of investment property	7	(159.325.055)	-	45.000	-
		(14.241.998)	**9.951.524**	**(1.168.907)**	**(2.208.739)**
Changes in working capital					
Decrease / (increase) in inventories		10.090.929	11.499.450	-	-
Decrease / (increase) in receivables		(13.665.328)	(23.563.439)	(7.537.436)	2.230.476
Increase / (decrease) in payables		6.247.526	26.324.305	(11.149.923)	761.293
		2.673.127	**14.260.315**	**(18.687.358)**	**2.991.769**
Cash generated from operations		**(11.568.871)**	**24.211.839**	**(19.856.265)**	**783.030**

Proceeds from the sale of property, plant and equipment comprise:

	GROUP		COMPANY	
Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
Net book amount (Note 2)	(1.985.627)	-	(1.976.955)	-
Profit / (loss) from sale of property, plant and equipment	649.613		330.000	-
Proceeds from sale of property plant and equipment	**(2.635.240)**	**0**	**(2.306.955)**	**0**

27. Commitments

Capital commitments

There is no capital expenditure that has been contracted for but not yet incurred at the balance sheet date.

Operating lease commitments

The group leases mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Not later than 1 year	6.379.362	9.350.559	449.066	289.313
Later than 1 year but not later than 5 years	23.062.835	24.911.714	218.766	882.235
Later than 5 years	218.803.200	224.770.995	-	136.217
	248.245.397	**259.033.268**	**667.832**	**1.307.765**

28. Contingent liabilities and assets

The Group and the Company have contingencies in respect of bank guarantees, other guarantees and other matters arising in the ordinary course of business, for which no significant additional burdens are expected to arise as follows:

Amounts in Euro	GROUP		COMPANY	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Liabilities				
Letters of guarantee to creditors	47.812.292	32.954.402	22.226.751	32.954.402
Letters of guarantee to customers securing contract performance	788.658	763.908	-	-
Mortgages over land & buildings	442.045.341	16.500.000	-	-
Guarantees to banks on behalf of subsidiaries	197.250.000	141.658.357	197.250.000	141.658.357
Other	79.815.775	10.272.580	79.815.775	10.272.580
	767.712.066	**202.149.247**	**299.292.526**	**184.885.339**

Other Liabilities include pledged shares of subsidiaries. According to the terms of the pledge, the assigned right of the pledge extends to the potential revenues of such shares.

We note that included in the above contingent liabilities are assurances for contingent liabilities which were given after the balance sheet date and which concern the issue of new bonds by a subsidiary company (note 32).

In addition to the issues mentioned above there are also the following particular issues:

- A subsidiary company of the Group has undertaken to compensate its customers for contingent tax obligations that may result because of the special nature of the commercial cooperation agreements that have contracted with the aforementioned company. The amount of the potential obligation cannot be estimated.

- As was mentioned before in note 10, the value agreed to for the sale of shares in EFG Eurobank Properties S.A. is likely to adjust.
- At January 10, 2004, a damage occurred due to fire on a vessel on which works were made in the premises of an affiliate company. The vessel was insured. Until today, the amount of the loss has not been evaluated by the insurance company and, therefore, it is not possible to estimate the possible loss of the Group in case of not covering of part of the loss by the insurance company.
- The company LAMDA Estate Develoment has been tax audited until the year 2003. EFG Eurobank Properties (related company) and LAMDA Prime Properties have been tax audited until 2004. The Company and the rest of the subsidiaries of the group have not been audited for tax purposes since 2003. Consequently, the tax obligations of the group have not been defined permanently.
- At the subsidiary company LAMDA Olympia Village (ex DIMEPA) a property transfer tax of €9,8m approx has been imposed. The company has appealed to the administrative courts, paying during 2005 €800th approx (which is included in Deposits and Other Debtors). The estimate of the management is that the imposal of the income tax is without base due to the special law provisions on the law for Olympic works. In any case, if the outcome of the case is negative, according to the share sale agreement between the Municipality of Amaroussion and the Company, the total obligation will be on the Municipality, as it relates to transfers of properties before the acquisition of the shares of the subsidiary by the Company.
- At the subsidiary LAMDA Technol Flisvos Marina, there stand in front of the State of Council requests for cancellation of the environmental terms for the development and refurbishment of Fisvos Marina and the decision of the Ministry of Development with which the existing waterbase has been surveyed. Those requests are expected to be judged during June 2006. The Group foresees a favorable outcome on these cases. Nevertheless, a negative outcome might have an impact on the completion of works on Flisvos Marina.
- There is a lawsuit against a subsidiary of €1,5m approx which relates to a contracting agreement of construction works. The management cannot estimate the outcome of this case.

Additionally, there are various legal cases of the Group's companies, which are not expected to create material additional liabilities.

29. Related party transactions

The following transactions were carried out with related parties.

	GROUP		COMPANY	
Amounts in Euro	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004**
i) Sales of goods and services				
Sale of share in EFG Eurobank Properties	12.497.916	0	12.497.916	0
Sales of goods	568.735	0	0	0
Sales of services	608.728	590.565	5.537.252	22.292.597
	1.177.463	**590.565**	**5.537.252**	**22.292.597**
ii) Purchases of goods and services				
Purchases of services	134.364	129.228	224.430	148.045
	134.364	**129.228**	**224.430**	**148.045**
iii) Benefits to management				
Salaries and other short-term employment benefits	1.125.573	947.470	328.791	251.273
	1.125.573	**947.470**	**328.791**	**251.273**

iv) Period end balances from sales-purchases of goods/servises

	GROUP		COMPANY	
Amounts in Euro	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Recevables from related parties (note 13):				
-Associates	**-**	**-**	**5.900.341**	**18.968.400**
Liabilities to related parties (note 19):				
-Associates	**-**	**-**	**60.141**	**246.000**
v) Loans to associates:				
Balance at beginning of the period	-	-	-	-
Loans given during the period	185.400	-	600.000	-
Loans repaid during the period	-	-	-	-
Interest charged	7.300	-	18.745	-
Balance at end of the period (note 13)	**192.700**	**-**	**618.745**	**-**
vi) Loans from associates:				
Balance at beginning of the period	83.923.569	15.485.008	13.909.865	5.000.000
Disposal of subsidiaries and joint ventures	(3.083.333)	-	-	-
Loans given during the period	47.000.000	72.160.228	5.000.000	9.688.818
Loans repaid during the period	(8.754.241)	(4.737.065)	(1.373.641)	(1.546.252)
Interest charged	3.961.917	1.015.398	784.465	767.299
Balance at end of the period (note 13)	**123.047.912**	**83.923.569**	**18.320.689**	**13.909.865**

Services from and to related parties as well as sales and purchases of goods take place on the basis of the price lists in force with non related parties.

The above loans concern loans of the Group from the EFG Eurobank Group and are included in note 17.

30. Earnings per share

Basic

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding during the period, apart from the ordinary treasury shares that were bought by the Company.

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Profit / (loss) attributable to equity holders of the Company	**80.604.183**	**7.986.248**	**5.478.078**	**34.362**
Weighted average number of ordinary shares in issue	43.785.850	43.592.950	43.785.850	43.592.950
Basic earnings / (losses) per share (Euro per share)	**1,841**	**0,183**	**0,125**	**0,001**

We note that the increase of share capital that emanates from the employee share option scheme takes place on 31 December of each year and consequently does not influence the weighted average number of shares

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares i.e. share options. For these share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference that arises is added to the denominator as issuance of common shares with no exchange value. No adjustment is made in the earnings (nominator).

	GROUP		COMPANY	
Amounts in Euro	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Profit used to determine dilluted earnings per share	**80.604.183**	**7.986.248**	**5.478.078**	**34.362**
Weighted average number of ordinary shares in issue	43.785.850	43.592.950	43.785.850	43.592.950
Adjustment for share options:				
Weighted average number of ordinary shares for dilluted earnings per share	142.821	87.965	142.821	87.965
	43.928.671	**43.680.915**	**43.928.671**	**43.680.915**
Diluted earnings per share	**1,835**	**0,183**	**0,125**	**0,001**

31. Dividends per share

The Company did not pay ant dividends in 2005 and 2004 that relate to the financial years 2004 and 2003 due to losses incurred. Furthermore the Company is not anticipated to declare and dividends in 2006 relating to the 2005 financial year.

32. Events after the balance sheet date

(a) On 12/01/2006, the second series of LAMDA OLYMPIA VILLAGE corporate bonds was issued for the amount of €126 m and for which securities in the form of mortgages of property and guarantees from the Company were given. The above securities are included in note 28.

(b) On 1.2.2006, the transfer of the plot of land from OEK to LAMDA OLYMPIA VILLAGE was completed (see note 7).

Apart from the above detailed items, no further events have arisen after the balance sheet date.

Report of the certified auditor - accountant

(This is a translation of the original Greek audit report)

To the Shareholders of «LAMDA DEVELOPMENT SA»

We have audited the accompanying balance sheet of LAMDA DEVELOPMENT S.A. (the "Company") and the consolidated balance sheet of the Company and its subsidiaries (the "Group") as of 31 December 2005 and the related statements of income, cash flows and changes in shareholders' equity of the Company and the Group for the year then ended. These financial statements set out on pages 2 to 56 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Greek Auditing Standards which conforms with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We also assessed the consistency of the information included in the Directors' Report set out on pages 57 to 59 with the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2005, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the information included in the Directors' Report is consistent with the financial statements.

Without qualifying our opinion, we draw attention to notes 13 and 28 of the Financial Statements where reference is made to the uncertainty that exists in relation to the tax liabilities of the group's companies, which have not been finalised as yet, as well as to the probability of recovery of the VAT receivable that amounts to approximately Euro 40, 8 million.

March 20th , 2006

The Certified Auditor - Accountant

Constantinos Michalatos

SOEL Reg. No. 17701

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