

LAMDA DEVELOPMENT S.A.

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

**Condensed Consolidated Interim Financial Statements for half year ended
30 June 2006**

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.

<u>Contents</u>	<u>Page</u>
Balance Sheet	2
Income Statement	3
Statement of changes in equity	4
Statement of changes in equity	5
Cash Flow Statement	6
Notes upon condensed consolidated interim financial statements	7
1. General information	7
2. Preparation framework of the interim financial statements and accounting policies	7
3. Segment information	8
4. Investment property	8
5. Property, plant and equipment	9
6. Intangible assets	10
7. Business combinations	10
8. Borrowings	12
9. Commitments	13
10. Contingent liabilities	13
11. Related-party transactions	14
12. Events occurring during the balance sheet date	15
13. Earnings per share	16
14. Income tax expense	16
15. Number of employees	16
16. Events occurring after the balance sheet date	17
17. Seasonality	17
Report of the certified auditor - accountant	18

Balance Sheet

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		30/06/2006	31/12/2005	30/06/2006	31/12/2005
ASSETS					
Non-current assets					
Investment property	4	649.689.803	602.702.993	5.495.441	5.495.441
Property, plant and equipment	5	55.442.075	49.133.840	1.197.110	1.505.602
Intangible assets	6	4.938.260	5.008.223	-	-
Investments in associates	7	704.326	34.770.662	193.218.081	254.645.469
Available-for-sale financial assets	7	37.392.300	-	37.392.300	-
Deferred income tax assets		242.234	328.861	96.732	139.715
Derivative financial instruments	8	1.133.724	-	340.515	-
Trade and other receivables		728.862	3.060.183	56.182	2.338.084
		750.271.585	695.004.763	237.796.361	264.124.311
Current assets					
Inventories	12	59.569.028	80.939.513	-	-
Trade and other receivables		73.119.683	77.112.115	22.076.722	7.039.934
Available-for-sale investments in associates	7	-	-	83.985.637	-
Current income tax assets		2.989.611	2.770.365	1.172.712	756.177
Cash and cash equivalents		18.180.532	36.829.823	3.990.709	4.291.681
		153.858.853	197.651.816	111.225.780	12.087.792
Total assets		904.130.438	892.656.578	349.022.140	276.212.102
EQUITY					
Capital and reserves attributable to equity holders of the company					
Share capital		235.893.312	235.878.092	235.893.312	235.878.092
Other reserves		8.929.488	5.983.471	15.265.839	4.630.689
Retained earnings / (Accumulated losses)		66.192.851	21.585.395	(19.444.605)	(52.863.652)
		311.015.652	263.446.958	231.714.546	187.645.129
Minority interest		48.781.584	43.399.481	-	-
Total equity		359.797.235	306.846.439	231.714.546	187.645.129
LIABILITIES					
Non-current liabilities					
Borrowings	8	299.316.049	125.673.929	58.186.861	31.320.689
Deferred income tax liabilities		54.603.746	44.992.104	-	-
Retirement benefit obligations		1.067.046	583.332	173.098	173.098
Other non-current liabilities		1.502.190	1.418.522	36.148	36.148
		356.489.031	172.667.887	58.396.107	31.529.935
Current liabilities					
Trade and other payables		67.565.903	175.447.044	13.786.909	35.737.138
Current income tax liabilities		259.721	280.109	-	-
Borrowings	8	119.457.513	237.047.926	44.844.683	21.020.006
Provisions for other liabilities and charges		561.035	367.173	279.895	279.895
		187.844.172	413.142.252	58.911.487	57.037.039
Total liabilities		544.333.203	585.810.139	117.307.594	88.566.974
Total equity and liabilities		904.130.438	892.656.578	349.022.140	276.212.102

These consolidated interim financial statements have been approved for issue by the Company's Board of Directors on 10 August 2006.

The notes on pages 7 to 17 are an integral part of these consolidated interim financial statements.

Income Statement

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		1/01 to 30/06/2006	1/01 to 30/06/2005	1/01 to 30/06/2006	1/01 to 30/06/2005
Sales		67.107.260	33.493.314	2.028.560	3.064.026
Cost of sales		(46.442.647)	(32.372.181)	(2.772.662)	(1.595.514)
Gross profit		20.664.613	1.121.133	(744.102)	1.468.512
Administrative expenses		(11.263.613)	(12.556.946)	(3.183.847)	(2.323.165)
Reverse of provision for impairment	7	-	-	38.693.042	-
Fair value gains / (losses) of investment property	4	43.231.452	-	-	-
Profit / (loss) from participations sale in associates	7	9.835.536	2.105.263	4.960.301	2.105.263
Other operating income / (expenses) - net		758.972	(308.237)	19.124	(254.168)
Operating profit		63.226.960	(9.638.787)	39.744.519	996.442
Finance costs - net		(8.572.535)	764.327	(1.534.682)	1.291.128
Share of (loss) / profit of associates		1.277.640	(1.110.655)	(4.732.585)	(1.500.913)
Profit before income tax		55.932.066	(9.985.115)	33.477.252	786.657
Income tax expense		(9.835.507)	(1.215.519)	(58.204)	(57.177)
Profit for the half year		46.096.559	(11.200.635)	33.419.048	729.480
Attributable to:					
Equity holders of the Company		44.607.456	(6.850.491)	33.419.048	729.480
Minority interest		1.489.103	(4.350.144)	-	-
		46.096.559	(11.200.635)	33.419.048	729.480
Earnings per share for profit attributable to the equity holders of the Company during the half year (expressed in € per share)					
Basic	13	1,01	(0,16)	0,76	0,02
Diluted	13	1,01	(0,16)	0,76	0,02

<i>Amounts in Euro</i>	Notes	GROUP		COMPANY	
		1/04 to 30/06/2006	1/04 to 30/06/2005	1/04 to 30/06/2006	1/04 to 30/06/2005
Sales		20.803.087	16.303.116	657.268	1.665.198
Cost of sales		(14.918.639)	(16.384.011)	(1.949.654)	(905.742)
Gross profit		5.884.448	(80.895)	(1.292.386)	759.456
Administrative expenses		(3.941.850)	(8.396.307)	(592.783)	(1.339.575)
Reverse of provision for impairment	7	-	-	38.693.042	-
Fair value gains / (losses) of investment property	4	43.231.452	-	-	-
Profit / (loss) from participations sale in associates	7	9.835.536	2.105.263	4.960.301	2.105.263
Other operating income / (expenses) - net		212.923	625.850	22.054	(88.094)
Operating profit		55.222.510	(5.746.089)	41.790.228	1.437.050
Finance costs - net		(3.733.565)	1.421.056	(537.661)	1.665.297
Share of (loss) / profit of associates		905.733	(1.655.822)	(4.732.585)	(1.500.913)
Profit before income tax		52.394.678	(5.980.855)	36.519.982	1.601.434
Income tax expense		(13.942.447)	32.177	(18.903)	(27.494)
Profit for the half year		38.452.231	(5.948.678)	36.501.079	1.573.940
Attributable to:					
Equity holders of the Company		38.043.893	(3.718.723)	36.501.079	1.573.940
Minority interest		408.338	(2.229.955)	-	-
		38.452.231	(5.948.678)	36.501.079	1.573.940
Earnings per share for profit attributable to the equity holders of the Company during the half year (expressed in € per share)					
Basic	13	0,86	(0,08)	0,83	0,04
Diluted	13	0,86	(0,08)	0,83	0,04

The notes on pages 7 to 17 are an integral part of these consolidated interim financial statements.

Statement of changes in equity

<i>Amounts in Euro</i>	Attributable to equity holders of the Company			Minority interests	Total equity
	Share capital	Other reserves	Retained earnings		
GROUP					
Balance at 1 January 2005	234.837.110	4.228.288	(60.211.329)	36.978.541	215.832.610
Currency translation differences	-	159.776	-	-	159.776
Transfers between reserves	-	895	(895)	-	-
Change in subsidiary shareholdings	-	-	1.296.641	(159.995)	1.136.646
Net profit for the half year	-	-	(6.850.491)	(4.350.144)	(11.200.635)
Balance at 30 June 2005	234.837.110	4.388.959	(65.766.074)	32.468.402	205.928.397
Balance at 1 July 2005	234.837.110	4.388.959	(65.766.074)	32.468.402	205.928.397
Currency translation differences	-	1.538.886	-	-	1.538.886
Transfers between reserves	-	55.625	(55.625)	-	-
Change in subsidiary shareholdings	-	-	(47.580)	(473.668)	(521.248)
Shares issued in subsidiaries	-	-	-	1.197.000	1.197.000
Sale of subsidiaries	-	-	-	(1.572.096)	(1.572.096)
Net profit for the half year	-	-	87.454.674	11.779.843	99.234.517
Employees share option scheme	1.040.982	-	-	-	1.040.982
Balance at 31 December 2005	235.878.092	5.983.471	21.585.395	43.399.481	306.846.439
Balance at 1 January 2006	235.878.092	5.983.471	21.585.395	43.399.481	306.846.439
Currency translation differences	-	9.150	-	-	9.150
Shares issued in subsidiaries	-	-	-	3.893.000	3.893.000
Net profit for the half year	-	-	44.607.456	1.489.103	46.096.559
Fair value gains on available-for-sale financial assets	-	2.936.868	-	-	2.936.868
Deferred tax adjustment	15.220	-	-	-	15.220
Balance at 30 June 2006	235.893.312	8.929.488	66.192.851	48.781.584	359.797.235

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Statement of changes in equity

<i>Amounts in Euro</i>	Attributable to equity holders of the Company			Minority interests	Total equity
	Share capital	Other reserves	Retained earnings		
COMPANY					
Balance at 1 January 2005	234.837.110	4.630.689	(58.341.732)	-	181.126.067
Net profit for the half year	-	-	729.480	-	729.480
Employees share option scheme	17.636	-	-	-	17.636
Balance at 30 June 2005	234.854.746	4.630.689	(57.612.252)	-	181.873.183
Balance at 1 July 2005	234.854.746	4.630.689	(57.612.252)	-	181.873.183
Net profit for the half year	-	-	4.748.600	-	4.748.600
Employees share option scheme	1.023.346	-	-	-	1.023.346
Balance at 31 December 2005	235.878.092	4.630.689	(52.863.652)	-	187.645.129
Balance at 1 January 2006	235.878.092	4.630.689	(52.863.652)	-	187.645.129
Net profit for the half year	-	-	33.419.048	-	33.419.048
Fair value gains on available-for-sale financial assets	-	10.635.150	-	-	10.635.150
Deferred tax adjustment	15.220	-	-	-	15.220
Balance at 30 June 2006	235.893.312	15.265.839	(19.444.605)	-	231.714.546

The notes on pages 7 to 17 are an integral part of these consolidated interim financial statements.

Cash Flow Statement

Cash Flow Statement

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/01 to 30/06/2006	1/01 to 30/06/2005	1/01 to 30/06/2006	1/01 to 30/06/2005
Cash flows from operating activities:				
Cash generated from operations	(74.453.992)	3.869.254	(31.184.067)	15.868.158
Interest paid	(9.460.609)	(1.505.050)	(1.698.177)	(832.142)
Income tax paid	(340.222)	(1.087.448)	-	8.048
Cash flows from operating activities - net	(84.254.823)	1.276.756	(32.882.244)	15.044.064
Cash flows from investing activities:				
Purchases of property, plant, equipment and investment property	(4.425.496)	(39.868.484)	(15.506)	(434.421)
Purchases of intangible assets	-	(4.800)	-	-
Dividends received	897.415	-	897.415	604.350
Loans granted to related parties	-	-	(36.634.600)	-
Participation in share capital issue in subsidiaries	-	-	(9.315.357)	(18.901.389)
Sales of available-for-sale financial assets	9.496.079	92.480	4.930.301	-
Interest received	93.052	187.708	28.394	18.008
Loan repayments received from related parties	-	-	22.000.000	-
Cash flows from investing activities - net	6.061.050	(39.593.096)	(18.109.353)	(18.713.452)
Cash flows from financing activities:				
Dividends paid to Company's shareholders	(225)	(3.884)	(225)	(3.884)
Borrowings received	216.845.339	42.053.501	79.000.000	6.505.172
Repayments of borrowings and capital repayments of finance leases	(160.793.632)	-	(28.309.150)	-
Expenses generated from / (used in) share capital increase on the decrease of the share premium account	-	(175.427)	-	-
Proceeds from minority shareholders from issuance of shares in subsidiaries	3.493.000	-	-	-
Cash flows from financing activities - net	59.544.482	41.874.190	50.690.625	6.501.288
Net (decrease) / increase in cash and cash equivalents	(18.649.291)	3.557.850	(300.972)	2.831.900
Cash and cash equivalents at start of period	36.829.823	24.408.860	4.291.681	1.130.951
Cash and cash equivalents at end of period	18.180.532	27.966.710	3.990.709	3.962.851
Non cash and non cash equivalents transactions:				
	GROUP		COMPANY	
	1/01 to 30/06/2006	1/01 to 30/06/2005	1/01 to 30/06/2006	1/01 to 30/06/2005
Liabilities settlement with exchange of reserves	22.035.857	-	22.038.857	-

The notes on pages 7 to 17 are an integral part of these consolidated interim financial statements.

Notes upon condensed consolidated interim financial statements

1. General information

These condensed interim financial statements include the condensed interim financial statements of LAMDA DEVELOPMENT S.A. (the “Company”) and the condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”). The significant changes in the Group’s combination are presented in Note 7 of these financial statements.

The main activities of the Group are the investment, development and maintenance of innovative real estate projects, marine and yacht maintenance & refurbishment.

The Group is activated mainly in Greece but also in Romania, Bulgaria and Serbia.

The address of the Company’s registered office is 16 Laodikias & Nimfeou str., 11528, Athens, Greece, and its shares are traded on the Athens Stock Exchange. Its website address is www.Lamda-development.net.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 10 August 2006.

2. Preparation framework of the interim financial statements and accounting policies

2.1. Preparation framework of the interim financial statements

The condensed interim financial statements of LAMDA DEVELOPMENT S.A. cover the half year ended 30 June 2006 and have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2005 which are available on the website address www.Lamda-development.net.

2.2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2005, as described in the annual financial statements for the year ended 31 December 2005. New standards, amendments and interpretations to published standards that are mandatory for financial year ending 31 December 2006, as they were described in the annual financial statements for the year ended 31 December 2005, either were not relevant to the Group’s operations or did not have a significant impact on the financial statements.

The condensed interim financial statements have been prepared under the historical cost convention except for the investments in property, the available for sale financial assets and the derivative financial instruments, which after the initial recognition, are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Moreover, the use of estimates and assumptions that have an influence on 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, are required. 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.

3. Segment information

Primary reporting format – business segments

The Group is organized into three business segments:

- (1) Real estate
- (2) Marina and yacht services
- (3) Airport ground handling services (only for the year 2005)

The segment results for the half year ended 30 June 2006 and 30 June 2005 were as follows:

6 months to 30 June 2006 (Amounts in Euro)	Shipyards and		Total
	Real Estate	Marine Services	
Net sales	60.243.971	6.863.290	67.107.260
Operating profit	63.163.575	63.386	63.226.960
Finance costs	(7.944.449)	(628.086)	(8.572.535)
Share of (loss) / profit of associates	1.277.640	-	1.277.640
Profit before income tax	56.496.766	(564.700)	55.932.066
Income tax expense			(9.835.507)
Net profit			46.096.559

6 months to 30 June 2005 (Amounts in Euro)	Shipyards and		Aviation	Total
	Real Estate	Marine Services	transport services	
Net sales	20.336.708	7.568.106	5.588.500	33.493.314
Operating profit	(2.761.224)	(6.865.564)	(12.000)	(9.638.787)
Finance costs	1.070.128	(169.801)	(136.000)	764.327
Share of (loss) / profit of associates	(1.131.655)	-	21.000	(1.110.655)
Profit before income tax	(2.822.751)	(7.035.365)	(127.000)	(9.985.115)
Income tax expense				(1.215.519)
Net profit				(11.200.635)

Assignments and transactions between segments take place in real trading terms and conditions, according to what is applied to transactions with third parties.

4. Investment property

Amounts in Euro	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Balance at 1 January	602.702.993	55.034.228	5.495.441	5.670.000
Revaluation cost (Note 7)	7.410.357	2.307.480	-	1.840.441
Additions resulting from subsequent expenditure	-	45.384.072	-	-
Transfer from property, plant & equipment (note 5)	-	342.622.158	-	-
Transfer to property, plant & equipment (note 5)	(3.655.000)	-	-	-
Disposals	-	(1.970.000)	-	(1.970.000)
Fair value adjustments	43.231.452	159.325.055	-	(45.000)
Balance at 30 June	649.689.802	602.702.993	5.495.441	5.495.441

The transfer from property, plant and equipment in consolidated figures of 2005 mainly refers to the completion of the Group's two trading centers ("The MALL Athens" and "Mediterranean Cosmos").

The transfer to property, plant and equipment in consolidated figures of 2006 refers to property which no longer fulfills the expectations of being classified as investment property.

5. Property, plant and equipment

Amounts in Euro

GROUP - Cost

1 January 2005	284.523.645
Disposal of subsidiaries and joint ventures	(2.785.368)
Additions	126.137.295
Disposals	(361.528)
Reclassifications to Investment Property (Note 4)	(342.622.158)
31 December 2005	<u>64.891.886</u>
1 January 2006	64.891.886
Disposal of subsidiaries and joint ventures	(8.044.031)
Additions	4.425.496
Disposals	-
Reclassifications to Investment Property (Note 4)	3.655.000
30 June 2006	<u>64.928.351</u>

Accumulated depreciation

1 January 2005	(13.112.062)
Disposal of subsidiaries and joint ventures	15.804
Depreciation charge	(3.007.688)
Disposals	345.901
31 December 2005	<u>(15.758.045)</u>
1 January 2006	(15.758.045)
1 January 2006	7.887.183
Depreciation charge	(1.615.414)
Disposals	-
30 June 2006	<u>(9.486.276)</u>
Closing net book amount at 31 December 2005	<u>49.133.841</u>
Closing net book amount at 30 June 2006	<u>55.442.075</u>

Amounts in Euro

COMPANY - Cost

1 January 2005	2.793.692
Additions	536.652
Disposals	(6.955)
31 December 2005	<u>3.323.389</u>
1 January 2006	3.323.389
Additions	15.506
Disposals	-
30 June 2006	<u>3.338.895</u>

Accumulated depreciation

1 January 2005	(1.143.421)
Depreciation charge	(674.366)
31 December 2005	<u>(1.817.787)</u>
1 January 2006	(1.817.787)
Depreciation charge	(323.998)
30 June 2006	<u>(2.141.785)</u>
Closing net book amount at 31 December 2005	<u>1.505.602</u>
Closing net book amount at 30 June 2006	<u>1.197.110</u>

6. Intangible assets

<i>Amounts in Euro</i>	Concessions and similar rights
GROUP - Cost	
1 January 2005	5.468.925
Additions	-
31 December 2005	<u>5.468.925</u>
1 January 2006	5.468.925
Additions	-
30 June 2006	<u>5.468.925</u>
Accumulated depreciation	
1 January 2005	(320.776)
Depreciation charge	(139.926)
31 December 2005	<u>(460.702)</u>
1 January 2006	(460.702)
Depreciation charge	(69.963)
30 June 2006	<u>(530.665)</u>
Closing net book amount at 31 December 2005	<u>5.008.223</u>
Closing net book amount at 30 June 2006	<u>4.938.260</u>

7. Business combinations

The Group's share of the results of its subsidiaries, joint ventures and associates, all of which are unlisted, and its share of the carrying amount are as follows:

30 June 2006 (*Amounts in Euro*)

COMPANY

Name	Carrying amount	Country of incorporation	% interest held
LAMDA ESTATE DEVELOPMENT AE	39.490.352	Greece	100,0%
LAMDA PRIME PROPERTIES	12.331.598	Greece	100,0%
LAMDA ΕΡΓΑ ΑΝΑΠΤΥΞΗΣ ΑΕ	69.999	Greece	100,0%
LAMDA ΔΟΜΗ ΑΕ	3.069.999	Greece	100,0%
LAMDA PROPERTY MANAGEMENT AE	209.999	Greece	100,0%
LAMDA OLYMPIA VILLAGE AE	83.985.637	Greece	98,5%
LAMDA HELLIX AE	480.000	Greece	80,0%
LAMDA SHIPYARDS & MARINE SERVICES AE	9.901.581	Greece	75,0%
ΠΥΛΑΙΑ ΑΕ	31.674.947	Greece	60,1%
LAMDA TECHNOL FLISVOS HOLDING AE	5.223.949	Greece	45,0%
LAMDA DEVELOPMENT BEOGRAD	12.130	Serbia	100,0%
LAMDA DEVELOPMENT ROMANIA ΕΠΕ	500	Romania	100,0%
Investments in subsidiaries	<u>186.450.692</u>		
LAMDA AKINHΤΑ ΑΕ	4.903.584	Greece	50,0%
LAMDA OLYMPIC SRL	1.594.477	Romania	50,0%
Investments in joint ventures	<u>6.498.061</u>		
ECE LAMDA HELLAS AE	204.000	Greece	34,0%
EFG PROPERTIES ROMANIA	29.989	Romania	20,0%
EFG PROPERTIES SOFIA	15.340	Bulgaria	20,0%
EFG PROPERTIES BEOGRAD	20.000	Serbia	20,0%
Investments in associates	<u>269.329</u>		
TOTAL	<u>193.218.082</u>		

The Group participates in the following companies' equity:

GROUP - subsidiaries

Name	GROUP EQUITY	Country of incorporation	% interest held
ECE LAMDA HELLAS AE	289.797	Greece	34,0%
EFG PROPERTIES ROMANIA	22.096	Romania	20,0%
EFG PROPERTIES SOFIA	6.874	Bulgaria	20,0%
EFG PROPERTIES BEOGRAD	10.636	Serbia	20,0%
LAMDA DEVELOPMENT BEOGRAD	12.130	Serbia	100,0%
MC PROPERTY MANAGEMENT	65.000	Greece	25,0%
4Κ ΑΝΑΠΤΥΞΗ ΑΚΙΝΗΤΟΥ ΑΕ	297.260	Greece	30,0%
LAMDA MED	533	Romania	40,0%
TOTAL	704.326		

During the period ended 30 June 2006 the following significant events have occurred:

Lamda Olympia Village S.A.

Due to revaluation of the non currency figures that are related to the sale-purchase of Lamda Olympia Village S.A. from Amaroussion Municipality, the initial cost of the sale-purchase was revaluated by €7,4 m. In addition, the loss of €39 m from impairment which had been recognized from the holding company participating in Lamda Olympia Village S.A., was reversed during the current period as a result of the significant goodwill recorded from the specific subsidiary from investment property evaluation, and which present that impairment loss does not exist. This reversal concluded in the holding company's net profit (before tax) increase by €39 m. Also, due to the forthcoming sale of 50% of its participation to the trading and leisure center "The Mall Athens" which belongs to its subsidiary Lamda Olympia Village S.A., the Company transferred 50% of its participation to the relevant company to the account "Available-for-sale investments in associates". As a result, the Company's investment in the specific subsidiary has come to €84m.

Share capital increase

The Company participated in share capital increase of three subsidiaries. To maintain its present participation in their equity, the participations were increased at a total of €8,842m. during current period. The Company participated in ΠΥΛΑΙΑ S.A. with the amount of €4.207.000, in Lamda ΔΟΜΗ S.A. €3.000.000, in Lamda ΑΚΙΝΗΤΑ S.A. €735.000 and in Lamda TechnoLFlisvosHolding S.A. €900.000. The above share capital increases were carried out with the intention of completing their investment projects.

Eurobank Properties R.E.I.C.

On 10 August 2005, the holding Company transferred 16,7% of Eurobank Properties R.E.I.C. share capital with the cost of €7.141.544, resulting in reduction of the interest held from 29,9% to 13,2% on Eurobank Properties R.E.I.C. share capital. The mentioned percentage was sold to EFG Eurobank Ergasias S.A. at the amount of €12.497.916 which was adjusted upwards by €4.922.994 during April 2006 according to the special terms of the sale agreement. Thereafter, the holding Company participated in the share capital increase of above-mentioned company by paying €21.114.486, without altering its participation. The Company continued to consolidate Eurobank Properties R.E.I.C. under equity method during 2005 and the first quarter of 2006 even after the aforementioned sale, although participated with less than 20%, since Management retains significant influence over the company.

In addition, from 1 April 2006 the Company transferred the investment's presentation from "Investments in associates" to "Available-for-sale financial assets", as a result of one Company representative missing from Eurobank Properties R.E.I.C. Board of Directors. Consequently, together with Eurobank Properties R.E.I.C. shares' listing on the Athens Stock Exchange on 14 April 2006, the investment was estimated at fair value of

€37,4m. on 30 June 2006 leading to Company fair value profit of €10,6m. and consolidated fair value profit of €2,9m., which were recognized in equity. On 16 May 2006 the holding Company received the additional amount of €4,9m. due to the transfer of 16,7% of Eurobank Properties R.E.I.C. share capital which was realized in August 2005.

Lamda Shipyards and Marine Services S.A. and APFONAYTHΣ M.S.A.

Moreover, the Company recognized loss of impairment €5,6m. concerning its subsidiary Lamda Shipyards and Marine Services S.A. as a result of the accumulated losses and other negative factors. This loss of impairment reduced Company's earnings before tax equally. On 14 April 2006 Lamda Shipyards and Marine Services S.A., by 75% subsidiary proceeded to the transfer of APFONAYTHΣ M.S.A. total shares for the amount of €5,2m.

Other

The holding Company's interest held in LAMDA DEVELOPMENT DOO BEOGRAD is 100% (direct participation) which is not consolidated due to its insignificance.

8. Borrowings

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Non-current borrowings	299.316.049	125.673.929	58.186.861	31.320.689
Current borrowings	119.457.513	237.047.926	44.844.683	21.020.006
	418.773.562	362.721.855	103.031.544	52.340.694

Movements in borrowings is analysed as follows:

	GROUP	COMPANY
<i>(Amounts in Euro)</i>		
Balance at 1 January 2005	205.472.206	22.909.865
Bank borrowings	182.897.982	14.295.627
Bonds	99.120.000	23.000.000
Repayments of borrowings	(124.768.333)	(7.864.798)
Balance at 31 December 2005	362.721.855	52.340.694

	GROUP	COMPANY
6 months to 30 June 2006 <i>(Amounts in Euro)</i>		
Balance at 1 January 2006	362.721.855	52.340.694
Bank borrowings	60.845.339	49.000.000
Bonds	156.000.000	30.000.000
Repayments of borrowings	(160.793.632)	(28.309.150)
Balance at 30 June 2006	418.773.562	103.031.544

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

	GROUP	COMPANY
Bank borrowings	5,04%	5,06%
Bonds	4,30%	4,37%

The maturity of non-current borrowings is as follows:

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
<i>(Amounts in Euro)</i>				
Between 1 and 2 years	205.127.323	26.089.368	47.679.312	23.000.000
Between 2 and 5 years	22.529.268	87.904.560	6.018.968	8.320.689
Over 5 years	71.659.458	11.680.001	4.488.581	0
	299.316.049	125.673.929	58.186.861	31.320.689

In order to cover the interest rate risk related to property investment financing, the Group has signed contracts of interest rate risk hedging (Interest Rate Swap). The above-mentioned contracts' evaluation at fair value comes to €340th. for the Company and €1,134th. for the Group, and is recognised in assets as "Derivative financial instruments" and in income statement as "Finance costs-net".

The holding Company proceeded in signing new loans which come to €79m. in order to repay liabilities to third parties which have been significantly reduced during the first half year.

The holding Company proceeded in signing new loans which came to €217m. making a partial reorganization in bank borrowings in order to transfer the current ones into middle-non-current, to repay older borrowings and liabilities which occurred due to property titles' transfer towards the subsidiary Lamda Olympia Village S.A.

The non-current borrowings are guaranteed with mortgages and notices on the Group's property at the amount of €442.045.341.

9. Commitments

Capital expenditure

There are no significant capital expenditure that have been undertaken and not carried out at the balance sheet date.

Operating lease commitments

The Group leases ground, buildings, transportation and mechanical equipment under operating leasing contracts. The future total payable leases according to operating leasing contracts are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
Not later than 1 year	3.527.627	6.379.362	228.056	289.313
Later than 1 year but not later than 5 years	16.941.869	23.062.835	691.771	882.235
Later than 5 years	101.420.628	218.803.200	279.757	136.217
	121.890.125	248.245.397	1.199.584	1.307.765

There are no undertaken obligations for repair and maintenance expenses related to Group's investment property.

10. Contingent liabilities

The Group's contingent liabilities and receivables concerning banks, other guarantees and other issues arising within the frame of Group's ordinary activities from which no additional expenses are expected to occur, are as follows:

Amounts in Euro

	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Liabilities				
Letters of guarantee to creditors	43.730.991	47.812.292	40.449.100	22.226.751
Letters of guarantee to customers securing contract performance	788.658	788.658	-	-
Guarantees to banks on behalf of subsidiaries	155.180.000	197.250.000	155.180.000	197.250.000
Other	111.490.722	79.815.775	111.490.722	79.815.775
	311.190.371	325.666.725	307.119.822	299.292.526

Other liabilities presented above, 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.

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

- 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 Flisvos 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 November 2006. The Group foresees a favorable outcome on these cases.
- The account "Trade and other receivables" includes the amount of €7,8m. concerning subsidiary Lamda Technol Flisvos Marina's receivables from Hellenic Tourist Property related to development expenses imposed on the subsidiary by Hellenic Tourist Property. The liability of €9,8m. towards Hellenic Tourist Property refers to Lamda Technol Flisvos Marina's payable rent for Flisvos Marina. Management estimates that no significant additional liabilities will occur from the outcome of the above-mentioned case which has been submitted to arbitration.
- There are disagreements between Company's subsidiary "ΠΥΛΑΙΑ S.A." and the constructing company "ΜΗΧΑΝΙΚΗ S.A.", concerning the evaluation of constructing company's works at the trading center of "ΠΥΛΑΙΑ", the imposition of penalties due to "ΜΗΧΑΝΙΚΗ S.A." partial and final delay of the undertaken project's completion, and the compensation that "ΠΥΛΑΙΑ S.A." is entitled to receive because of working imperfection / deficiency for "ΜΗΧΑΝΙΚΗ S.A." Neither lawsuit nor agreements about the height of claims have been made. "ΠΥΛΑΙΑ S.A." legal consultants estimate that their claims are far greater than "ΜΗΧΑΝΙΚΗ S.A." ones.
- The account "Trade and other receivables" includes about €41,4m. related to receivables from the Hellenic State for reimbursement of construction cost of VAT on the shopping centers. Adopting the opinion that the Group's companies' activities are entitled to VAT reimbursement, management regards that there is a potential VAT inflows reimbursement or settlement with future years' VAT outflows. However, since the nature of such activities is unprecedented for the Hellenic reality, it is essential to comment that the Hellenic Tax Authorities have not accepted completely the existence of such VAT reimbursement right. Consequently, the above-mentioned receivables (either through reimbursement or settlement with future outflows) depend on whether the VAT reimbursement right is acceptable by the Hellenic Tax Authorities.
- A subsidiary of the Group, has undertaken to compensate its customers for contingent tax liabilities which will occur due to the special type of the trading contracts that have been signed with the subsidiary. The height of the contingent liability is inestimable.

No additional expenses from contingent liabilities are expected to arise.

11. Related-party transactions

The following transactions concern related-party transactions:

Financial statements

30 June 2006

<i>Amounts in Euro</i>	GROUP		COMPANY	
	01.01.2006 to 31.06.2006	01.01.2005 to 31.06.2005	01.01.2006 to 31.06.2006	01.01.2005 to 31.06.2005
i) Sales of goods and services				
Sales of services	1.056.237	3.943.784	1.926.692	2.916.219
	1.056.237	3.943.784	1.926.692	2.916.219
ii) Purchases of goods and services				
Purchases of services	3.343.252	3.943.784	58.870	57.798
	3.343.252	3.943.784	58.870	57.798
iii) Benefits to management				
Salaries and other short-term employment benefits	247.067	355.693	158.759	158.759
	247.067	355.693	158.759	158.759

iv) Balance at half year end from sales-purchases of goods and services

<i>Amounts in Euro</i>	GROUP		COMPANY	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Receivables from related parties:				
-Associates	141.782	-	6.383.003	5.900.341
Payables to related parties:				
-Associates	433.599	-	306.884	60.141

v) Loans to associates:

Balance at beginning of the half year	-	-	618.745	-
Loans given during the half year	-	185.400	36.634.600	600.000
Loans repaid during the half year	-	-	(22.000.000)	-
Interest charged	-	7.300	415.000	18.745
Balance at end of the half year	-	192.700	15.668.345	618.745

v) Loans from associates:

Balance at beginning of the half year	123.047.912	83.923.569	18.320.689	13.909.865
Disposals of subsidiaries and joint ventures	-	(3.083.333)	-	-
Loans given during the half year	50.100.000	47.000.000	44.000.000	5.000.000
Loans repaid during the half year	(120.489.828)	(8.754.241)	(15.294.828)	(718.905)
Interest repaid	(629.881)	(2.985.935)	(388.226)	(203.281)
Interest charged	1.219.121	3.961.917	960.258	333.010
Balance at end of the half year	53.247.324	123.047.912	47.597.893	18.320.689

Services provided from and for related parties, in addition to sales and purchases of goods, follow the pricelist for non-related parties.

12. Events occurring during the balance sheet date

The most significant change during the half year period which has not been analysed in another note is the following:

The significant decrease in Group inventories occurs mainly due to assignments during the first half year of a great number of houses which previously were recognised in Lamda Olympia Village S.A. inventories.

13. Earnings per share

Basic

The basic and diluted earnings per share are calculated by dividing profit attributable to Company's shareholders, with the weighted average number of ordinary shares during the period.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/01 to 30/06/2006	1/01 to 30/06/2005	1/01 to 30/06/2006	1/01 to 30/06/2005
Profit / (loss) attributable to equity holders of the Company	44.607.456	(6.850.491)	33.419.048	729.480
Weighted average number of ordinary shares in issue	44.029.950	43.785.850	44.029.950	43.785.850
Basic earnings per share (€ per share)	1,01	(0,16)	0,76	0,02

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.

<i>Amounts in Euro</i>	GROUP		COMPANY	
	1/01 to 30/06/2006	1/01 to 30/06/2005	1/01 to 30/06/2006	1/01 to 30/06/2005
Profit used to determine diluted earnings per share	44.607.456	(6.850.491)	33.419.048	729.480
Weighted average number of ordinary shares in issue	44.029.950	43.785.850	44.029.950	43.785.850
Adjustments for:				
Share options	33.507	94.506	33.507	94.506
Weighted average number of ordinary shares for diluted earnings per share	44.063.457	43.880.356	44.063.457	43.880.356
Diluted earnings per share (€ per share)	1,01	(0,16)	0,76	0,02

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. Finally, no adjustment is made related to earnings (nominator).

14. Income tax expense

The income tax expense is based on management's estimations for the weighted average tax rate which is expected to be applied for the whole year. The estimated weighted average tax rate for 2006 is 25% (the relevant estimated weighted average tax rate for the first half of 2005 was 29%). The decrease is caused by a decrease in tax rate.

The holding company and Lamda Shipyards and Marine Services S.A. have been tax audited until the year-end 2002, while they are currently under tax audit for the year-end 2003 and 2004. Therefore, Group's tax obligations have not been defined permanently.

15. Number of employees

Number of employees at the end of half year: Group 164, Company 86.

16. Events occurring after the balance sheet date

At 4 August 2006 the Company announced that has signed a sale pre-agreement of the 50% of its participation in the commercial and leisure centre “The Mall Athens”, which is owned by its subsidiary Lamda Olympia Village S.A. The transfer of shares is expected to be concluded following the completion of the conditions of the sale agreement, among which is the granting of the necessary approvals from the authorities. Specifically, following the completion of the transaction, HSBC LUXEMBURG SARL will own 13.006.105 shares of Lamda Olympia Village S.A., which represent 49,239% of the company’s share capital. The total cost of the transaction was calculated on the net asset value (NAV) after the reduction of Lamda Olympia Village S.A. liabilities and is expected to amount to approximately €135m. As a result of this transaction, the Group loses control and will have the control of Lamda Olympia Village S.A. together with HSBC LUXEMBURG SARL.

Apart from the above detailed items, no further event has arisen after the balance sheet date.

17. Seasonality

The Group activities, and consequently the turnover are not expected to be substantially influenced by seasonal fluctuations.

[Translation from the original text in Greek]

REVIEW REPORT OF THE CERTIFIED AUDITOR ACCOUNTANT

To the Shareholders of the LAMDA DEVELOPMENT SA

We have reviewed the accompanying condensed interim balance sheet of LAMDA DEVELOPMENT SA (the "Company") and the condensed interim consolidated balance sheet of the Company and its subsidiaries (the "Group") as of 30 June 2006 and the related condensed interim Company and consolidated statements of income, cash flows and changes in shareholders' equity for the six months ended 30 June 2006. Our review was restricted to financial information for the six months period ended 30 June 2006 and did not encompass a review of financial information relating to the three months period ended 30 June 2006 as a separate quarter which is presented in the income statement of the accompanying condensed interim financial statements. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed company and consolidated interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim company and consolidated financial statements for the six months period ended 30 June 2006 have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Without qualifying our report, we draw your attention to the disclosures in Note 10 of the financial statements relating to the uncertainties that exist with respect to the open tax positions of the group companies and the recoverability of VAT receivables amounting to approximately €41.4 million.

Athens, August 11, 2006

The Certified Auditor Accountant

PRICEWATERHOUSECOOPERS 

Konstantinos Michalatos

Registered Number : 17701

PRICEWATERHOUSECOOPERS