LAMDA Development S.A.

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

Consolidated and company financial statements for the year ended 31 December 2007

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	Note	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
ASSETS					
Non-current assets					
Investment property	6	505.473.951	439.017.856	1.840.441	5.540.441
Property, plant and equipment	7	163.572.235	48.334.727	427.867	982.819
Intangible assets	8	4.728.371	4.868.297	-	-
Investments in subsidiaries	9	-	-	173.727.441	131.170.909
Investments in associates	9	1.561.148	957.386	388.328	269.328
Available-for-sale financial assets	10	56.711.655	42.427.796	56.711.655	42.427.796
Derivative financial instruments	11	1.147.290	31.150	-	-
Deferred income tax assets	12	551.118	20.574	-	-
Trade and other receivables	14	23.840.421	75.377.186	61.115.108	49.730.705
		757.586.188	**611.034.973**	**294.210.840**	**230.121.999**
Current assets					
Inventories	13	48.132.708	58.394.743	-	-
Trade and other receivables	14	86.460.911	30.452.747	65.292.177	14.414.017
Current income tax assets		5.972.960	2.506.107	5.965.503	1.411.689
Cash and cash equivalents	15	46.199.924	79.911.287	3.337.105	51.504.302
		186.766.502	**171.264.884**	**74.594.785**	**67.330.007**
Total assets		**944.352.690**	**782.299.856**	**368.805.625**	**297.452.006**
EQUITY					
Capital and reserves attributable to equity holders of the company					
Ordinary shares	16	235.281.883	235.722.818	235.281.883	235.722.818
Other reserves	17	6.250.706	23.357.593	2.929.004	22.052.196
Retained earnings		155.639.135	106.546.237	12.464.733	25.215.307
		397.171.724	365.626.648	250.675.620	282.990.321
Minority interest in equity		54.842.223	42.606.437	-	-
Total equity		**452.013.947**	**408.233.085**	**250.675.620**	**282.990.321**
LIABILITIES					
Non-current liabilities					
Borrowings	19	349.026.928	252.924.016	103.000.000	-
Deferred income tax liabilities	12	64.755.661	44.671.236	2.331.583	2.324.871
Derivative financial instruments	11	-	124.538	-	-
Retirement benefit obligations	20	368.545	303.200	326.589	275.993
Other non-current liabilities	21	1.745.642	9.393.342	36.148	36.148
		415.896.775	**307.416.333**	**105.694.320**	**2.637.012**
Current liabilities					
Trade and other payables	21	45.899.509	43.463.855	12.435.686	11.668.222
Current income tax liabilities		3.491.698	295.284	-	-
Borrowings	19	27.050.759	22.891.300	-	156.451
		76.441.967	**66.650.439**	**12.435.686**	**11.824.673**
Total liabilities		**492.338.743**	**374.066.771**	**118.130.005**	**14.461.685**
Total equity and liabilities		**944.352.690**	**782.299.856**	**368.805.625**	**297.452.006**

The consolidated and Company financial statements of LAMDA Development SA for the year ended 31 December 2007 have been approved for issue by the Company's Board of Directors on 21 March 2008.

The notes on pages 7 to 67 are an integral part of these financial statements.

Income Statement

Continuing operations (*Amounts in Euro*)	Note	GROUP 1.1.2007 to 31.12.2007	GROUP 1.1.2006 to 31.12.2006	COMPANY 1.1.2007 to 31.12.2007	COMPANY 1.1.2006 to 31.12.2006
Revenue		86.892.111	97.424.235	1.832.515	3.007.953
Dividends		1.670.189	1.620.333	1.978.309	1.620.333
Fair value gains of investment property		65.596.161	82.183.042	20.000	45.000
Reversal of provision for impairment	9		-	-	38.693.042
Cost of inventory sales		(28.352.647)	(36.599.035)	-	-
Other direct investment property expenses	22	(7.829.746)	(9.144.372)	-	-
Employee benefit expense	24	(7.878.866)	(6.963.757)	(6.197.615)	(5.654.781)
Depreciation of property, plant, equipment and intangible assets	7 , 8	(2.024.104)	(2.289.392)	(620.377)	(648.272)
Operating lease payments		(6.590.358)	(6.972.544)	(657.214)	(519.594)
Contracting cost		(5.588.896)	(1.521.095)	(54.528)	(145.205)
Profit from participations sale in associates		19.005.836	37.984.028	19.000.000	66.929.471
Other operating income / (expenses) - net	23	(7.481.824)	(16.063.031)	(19.096.198)	(11.700.116)
Operating profit		**107.417.856**	**139.658.412**	**(3.795.108)**	**91.627.831**
Finance costs - net	25	(14.507.265)	(17.919.911)	1.091.062	(3.687.463)
Share of profit of associates		1.003.447	642.251	-	-
Profit before income tax		**93.914.038**	**122.380.753**	**(2.704.046)**	**87.940.368**
Income tax expense	26	(23.851.748)	(29.729.287)	75.294	(9.158.965)
Profit for the year from continuing operations		**70.062.290**	**92.651.466**	**(2.628.752)**	**78.781.402**
Discontinued operations (*Amounts in Euro*)					
Profit for the period from discontinued operations	34	-	2.650.869	-	1.048.419
Profit for the year		**70.062.290**	**95.302.335**	**(2.628.752)**	**79.829.821**
Attributable to:					
Equity holders of the Company		59.619.925	94.534.422	(2.628.752)	79.829.821
Minority interest		10.442.365	767.913	-	-
		70.062.290	**95.302.335**	**(2.628.752)**	**79.829.821**
Earnings/(losses) per share from continuing operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	31	1,35	2,10	(0,06)	1,79
Diluted	31	1,35	2,10	(0,06)	1,79
Earnings per share from discontinued operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	31	0,00	0,18	0,00	0,00
Diluted	31	0,00	0,18	0,00	0,00

The notes on pages 7 to 67 are an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro	Share capital	Other reserves	Retained earnings/(losses)	Minority interests	Total equity
	Attributable to equity holders of the Company				
GROUP					
1 January 2006	**235.878.092**	**5.983.471**	**21.585.395**	**43.399.481**	**306.846.439**
Reserves from revaluation of available-for-sale financial assets	-	15.670.647	(7.698.282)	-	7.972.364
Cash flow hedges	-	(79.362)		9.322	(70.041)
Currency translation differences	-	37.900	-	-	37.900
	-	15.629.185	(7.698.282)	9.322	7.940.223
Net income / (expense) recognised directly in equity	27.118	-	-	(39.900)	(12.782)
Profit for the year	-	-	94.534.422	767.913	95.302.335
Total recognised income for the year	**27.118**	**-**	**94.534.422**	**728.013**	**95.289.553**
Transfers to reserves	-	1.801.536	(1.801.536)	2.893	2.893
Disposal of subsidiaries	-	(56.599)	-	(2.784.951)	(2.841.549)
Change in subsidiary shareholdings	-	-	(73.762)	73.762	-
Change in subsidiary consolidation method	-	-	-	(2.670.083)	(2.670.083)
Increase in subsidiary share capital	-	-	-	3.848.000	3.848.000
Treasury shares purchased	(182.393)	-	-	-	(182.393)
	(182.393)	1.744.937	(1.875.298)	(1.530.378)	(1.843.132)
31 December 2006	**235.722.818**	**23.357.593**	**106.546.237**	**42.606.437**	**408.233.085**
1 January 2007	**235.722.818**	**23.357.593**	**106.546.237**	**42.606.437**	**408.233.085**
Reserves from revaluation of available-for-sale financial assets	-	(19.369.211)	-	-	(19.369.211)
Cash flow hedges	-	504.001	-	272.593	776.595
Currency translation differences	-	(1.742.935)	-	941	(1.741.994)
	-	(20.608.145)	-	273.535	(20.334.611)
Total recognised income for the year		**-**	**59.619.925**	**10.442.365**	**70.062.290**
Transfers to legal reserves	-	461.496	(461.496)	6.393	6.393
Transfers to other reserves	-	3.040.847	-	-	3.040.847
Acquisition of subsidiaries	-	-	-	145	145
Change in subsidiary shareholdings	-	(1.085)	56.290	(524.151)	(468.945)
Increase in subsidiary share capital	-	-	-	2.087.500	2.087.500
Dividends relating to 2006 approved by the shareholders	-	-	(10.121.822)	(50.000)	(10.171.822)
Treasury shares purchased	(440.934)	-	-	-	(440.934)
	(440.934)	3.501.259	(10.527.028)	1.519.886	(5.946.817)
31 December 2007	**235.281.883**	**6.250.706**	**155.639.135**	**54.842.223**	**452.013.947**

The notes on pages 7 to 67 are an integral part of these financial statements.

Statement of changes in equity

Amounts in Euro	Share capital	Other reserves	Retained earnings/(losses)	Minority interests	Total equity
COMPANY					
1 January 2006	**235.878.092**	**4.630.689**	**(52.863.652)**	**-**	**187.645.129**
Reserves from revaluation of available-for-sale financial assets	-	15.670.647	-	-	15.670.647
	-	15.670.647	-	-	15.670.647
Net income recognised directly in equity	27.118	-	-	-	27.118
Profit for the year	-	-	79.829.821	-	79.829.821
Total recognised income for the year	**27.118**	**-**	**79.829.821**	**-**	**79.856.939**
Transfers between reserves	-	1.750.861	(1.750.861)	-	-
Treasury shares purchased	(182.393)	-	-	-	(182.393)
	(182.393)	1.750.861	(1.750.861)	-	(182.393)
31 December 2006	**235.722.817**	**22.052.196**	**25.215.307**	**-**	**282.990.321**
1 January 2007	**235.722.817**	**22.052.196**	**25.215.307**	**-**	**282.990.321**
Reserves from revaluation of available-for-sale financial assets	-	(19.369.211)	-	-	(19.369.211)
Loss for the year	**-**	**-**	**(2.628.752)**	**-**	**(2.628.752)**
Transfers to reserves	-	246.019	-	-	246.019
Treasury shares purchased	(440.934)	-	-	-	(440.934)
Dividends relating to 2006 approved by the shareholders	-	-	(10.121.822)	-	(10.121.822)
	(440.934)	246.019	(10.121.822)	-	(10.316.737)
31 December 2007	**235.281.883**	**2.929.004**	**12.464.733**	**-**	**250.675.620**

The notes on pages 7 to 67 are an integral part of these financial statements.

Cash Flow Statement

Amounts in Euro	Note	GROUP 1.1.2007 to 31.12.2007	GROUP 1.1.2006 to 31.12.2006	COMPANY 1.1.2007 to 31.12.2007	COMPANY 1.1.2006 to 31.12.2006
Cash flows from operating activities					
Cash generated from operations	27	32.869.313	(89.561.640)	(9.042.224)	(81.731.782)
Interest paid		(14.133.234)	(16.918.983)	(957.854)	(5.267.425)
Income tax paid		(5.419.179)	(6.485.038)	(4.553.814)	(7.321.497)
Net cash generated from operating activities		**13.316.900**	**(112.965.661)**	**(14.553.892)**	**(94.320.704)**
Cash flows from investing activities					
Purchases of property, plant, equipment and investment property	7 , 8	(122.627.968)	(23.568.979)	(184.658)	(125.489)
Proceeds from sale of property, plant and equipment (PPE)		-	22.553	-	-
Dividends received		2.838.562	1.620.333	1.978.309	1.620.333
Loans granted to related parties	30	(439.634)	(5.076.000)	(77.581.987)	(10.000.000)
Loan repayments received from related parties	30	5.467.111	-	10.670.265	-
Interest received		1.323.399	98.599	1.149.208	680.636
Purchases of available-for-sale financial assets	10	(33.653.070)	-	(33.653.070)	-
Proceeds from sale of participations	9	11.987.953	161.895.107	11.655.117	161.895.107
Increase in participations	9	(556.267)	(8.665.964)	(46.023.063)	(12.333.393)
Increase in assets due to acquisition of subsidiaries		(293.409)	-	-	-
Net cash used in investing activities		**(135.953.322)**	**126.325.649**	**(131.989.878)**	**141.737.194**
Cash flows from financing activities					
Purchase of treasury shares	16	(440.934)	(182.393)	(440.934)	(182.393)
Incremental costs due to share capital increase		-	-	-	(1.278)
Costs on issuance of bond loans		(1.021.464)	-	-	-
Proceeds from issuance of ordinary shares in subsidiaries	9	290.000	5.215.807	-	-
Proceeds from decrease in ordinary shares of subsidiaries	9	-	(100.000)	6.152.031	52.164.298
Dividends paid to Company's shareholders	32	(10.178.071)	(254)	(10.178.071)	(254)
Dividends paid to minority interests		(50.000)	-	-	-
Borrowings received and refinancing	19	122.001.758	282.889.307	103.000.000	136.082.073
Repayments of capital repayments of finance leases	19	(685.913)	(637.265)	-	-
Repayments of borrowings	19	(20.990.318)	(257.463.726)	(156.451)	(188.266.316)
Net cash used in financing activities		**88.925.057**	**29.721.477**	**98.376.574**	**(203.869)**
Net (decrease) / increase in cash and cash equivalents		(33.711.364)	43.081.465	(48.167.196)	47.212.621
Cash and cash equivalents at beginning of year	15	79.911.287	36.829.823	51.504.302	4.291.681
Cash and cash equivalents at end of year	15	**46.199.924**	**79.911.287**	**3.337.105**	**51.504.302**

The notes on pages 7 to 67 are an integral part of these financial statements.

Notes to the consolidated and Company financial statements

1. General information

These financial statements include the annual financial statements of the company LAMDA Development S.A. (the "Company") and the consolidated annual financial statements of the Company and its subsidiaries (together "the Group"). The names of the subsidiaries are presented in note 9 of the financial statements.

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

The Group is activated in Greece and during 2007 has expanded in other neighbour Balkan countries mainly Romania, Bulgaria, Serbia, Montenegro and its shares are listed on the Athens Stock Exchange.

The Company is incorporated and domiciled in Greece. The address of its registered office is 16 Laodikias & Nimfeou Str., 11528, Athens and its website address is *www.Lamda-development.net*. The company is controlled by Consolidated Lamda Holdings S.A. which is domiciled in Luxembourg and therefore Group's financial statements are included in its consolidated financial statements. The company Consolidated Lamda Holdings S.A. is controlled by Latsis family.

These financial statements were authorised for issue by the Board of Directors on March 21, 2008.

2. Summary of significant accounting policies

2.1 Basis of preparation

These Company and consolidated financial statements have been prepared by management in accordance with the International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union and IFRS that have been issued by the International Accounting Standards Board (IASB).

All IFRS issued by the IASB and effective at the time of preparing these financial statements, have been adopted by the European Commission through the endorsement procedure established by the European Commission (EC), with the exception of certain provisions of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedging of core deposits.

Since the Group and Company are not affected by the provisions regarding portfolio hedging which are not required by the EC endorsed version of IAS 39, the accompanying financial statements comply with both IFRS as adopted by the EC and IFRS issued by the IASB.

The accounting principles that have been used in the preparation and presentation of the annual financial statements are in accordance with those used for the preparation of the Company and Group financial statements as of December 31, 2006 as were published in website of the Company for information purposes.

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

The preparation of the Financial Statements, in conformity with IFRS, requires the use of certain estimates and assumptions which affect the balances of the assets and liabilities, the contingencies disclosure as at the balance sheet date of the financial statements and the amounts of income and expense relating to the reporting year. These estimates are based on the best knowledge of the Company's and Group's management in relation to the current conditions and actions. Certain reclassifications have been made in the prior year's figures in order to make them comparable to the current year's figures. Any differences between amounts in the primary financial statements and similar amounts detailed in the explanatory notes are due to rounding of figures.

2.2 New standards, interpretation and amendments to standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period or subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>a) Standards, amendments and interpretations, mandatory effective in 2007</u>

IFRS 7, "Financial Instruments: Disclosures" and the complementary amendment to IAS 1 "Presentation of Financial Statements – Capital Disclosures", mainly requires the Group to include additional disclosures about sensitivity analysis to credit risk, cash flow risk, market risk.

<u>b) IFRS, amendments and interpretations to published standards that are mandatory for accounting periods beginning on or after current period, but are not relevant to the Group's operations</u>

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 or later periods, but are not relevant to the Group's operations.

- IFRS 4, "Insurance Contracts",
- IFRIC 7, "Applying the Restatement Approach under IAS 29 Financial reporting in Hyperinflationary Economies",
- IFRIC 8, "Scope of IFRS 2"
- IFRIC 9, "Reassessment of Embedded Derivatives",
- IFRIC 10, "Interim Financial Reporting and Impairment" and
- IFRIC 11, IFRS 2 "Group and Treasury Share Transactions'

<u>c) Standards and amendments and interpretations to published standards that are not yet effective and have not been early adopted by the group</u>

The following interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2008 or later periods, but are not relevant to the Group's operations:

- IAS 23 (amendment), "Borrowing Costs" (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (amended) from 1 January 2009 but is not expected to have any impact on the Group's operations.

- IFRS 8, "Operating Segments" (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about Segments of an Enterprise and Related Information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 from 1 January 2009. Management does not anticipate that this will have any impact on the Group's accounts.

- IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

<u>d) Interpretations to existing standards that are not yet mandatory and not relevant to the Group's operations</u>

The following interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Group's operations:

- IFRIC 12, "Service Concession Arrangements" (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Group's operations because none of the Group's companies provide for public sector services.

- IFRIC 13, "Customer loyalty programmes" (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

2.3 Consolidated financial statements

(a) Subsidiaries

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries 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. Accounting policies of subsidiaries have been changed 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 using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, (net of any accumulated impairment loss).

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, 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 to ensure consistency with the policies adopted by the Group.

Investments in associates are accounted for in the Company financial statements 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 that 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 such a transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Accounting policies of joint ventures have been changed 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 semi-annually by independent external valuers in accordance with the guidance issued by the International Valuation Standards Committee. In the other interim three-month periods, the revaluation is based on Management estimations taking the existing market conditions at the reporting period into account.

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, income from concession arrangements 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 rental 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 can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they arise.

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 that 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 2.16).

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 financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale, investment in subsidiaries, derivative financial instruments and hedging activities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) 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. Also, the derivative financial instruments are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) 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.

(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 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 above categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus the transaction costs. Financial assets 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.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses from changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the income statement in the period in which they arise.

Unrealized gains or losses from changes in fair value of financial assets that classified as available for sale are recognized in revaluation reserves. 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.

(e) Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge the risks related to future price fluctuation. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group designates certain derivatives as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in Group's results (income statement). Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (when the forecast sale that is hedged takes place).

Certain derivative instruments that are not qualify as hedging instruments and no longer meet the criteria for hedge accounting, are classified as derivatives available for sale and accounted for at fair value through profit or loss. Changes in the fair value of any of these derivative instruments are recognized immediately in the income statement within 'Other operating income / (expenses) - net'.

The Group designates certain derivative financial instruments as:

1) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge), or

2) derivatives at fair value through the income statement.

Changes in the fair value of derivatives that are not attributable to hedging are recognized immediately in the income statement within 'Other operating income / (expenses) – net'.

(f) Investment in subsidiaries

Investment in subsidiaries is stated at cost less impairment, in the financial statements of the Company. Impairment loss is recognised in 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 recognised as losses in the income statement when they arise.

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, which in general have 0-90 days' letter of credit, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Significant financial difficulties, probability that the debtor will enter bankruptcy or financial reorganisation and the delinquency in payments are considered indicators that the trade receivable is impaired. 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 as expense in the income statement within 'Other operating income / (expenses) – net'.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and low risk.

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 Trade and other payables

Trade payables that are paid in a regular basis of 30-90 days are recognised at the cost that coincides with the fair value of the future payment for the purchases of goods and services that were rendered.

2.16 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.

2.17 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 affects 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.

2.18 Employee benefits

(a) Short-term benefits

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

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.

(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.

2.19 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.

2.20 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.

2.21 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 right to receive payment is established.

2.22 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 2.21 describe the accounting principle of revenue recognition from leases.

2.23 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.

2.24 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 risk, 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

i) Foreign exchange risk

The Group operates in Europe and Balkan countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Romanian, Bulgarian and Serbian currency. The major part of the Group's transactions is denominated in Euros. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group's stable policy is to avoid purchasing foreign currency in advance and contracting FX future contracts with external counter-parties.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk during their financial statements are converted for consolidation purposes. The Group is not exposed significantly in this risk category, since most of the companies have Euro as their functional currency with the exception of subsidiaries in Romania, Bulgaria, Serbia, and Montenegro.

The Group's exposure to foreign exchange risk as at December 31, 2007 and December 31, 2006 is not material since it represents less than 10% on the total of assets and liabilities respectively in each year.

ii) Price risk

The Group is exposed to equity securities price risk because of investments held and classified on the consolidated balance sheet as available for sale.

The group's investments in equity of other entities that are publicly traded and are included in FTSE / Athex Mid 40. These equity securities are presented in the balance sheet within 'Available-for-sale financial assets'.

At December 31, 2007, if the FTSE / Athex Mid 40 had increased / decreased by 5%, with all other variables held constant and the equity securities moved according to the historical correlation with the index, the Group and Company equity would have increased / decreased by € 1,2 m. (2006: € 0,9 m.) respectively.

iii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the operating cash available for investment and the interest-bearing receivables mainly depend on Euro interest rates which have both historically low fluctuation and the future forecast market fluctuation remains especially low as well.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

In addition, the Group manages the interest rate risk by using short-term interest rate swaps for part of the borrowings with long-term regarding borrowings with period more than 1 year.

At the end of the fiscal year, approximately 57% (2006: 77%) of total borrowings was hedged in fixed rate financial products in the amount of € 212,6 m. (2006: € 213,3 m.).Group policy is to maintain covering most part of the interest rate risk of the borrowings relating to the investment property financing.

These contracts are measured at every balance sheet date and the profit or loss from changes in the fair value of the financial instruments is recognised in the income statement when they arise.

The sensitivity analysis below is based on change in a variable holding all other variables constant. Actually, such a scenario is unlikely to happen, and changes in variables can be related for example to change in interest rate and change in market price.

At December 31, 2007 an increase / decrease by 0,5% on the Group's borrowings interest rate at functional currency, would lead to an increase / decrease by € 0,7 m. and by € 0,1 m. on profit after tax for the year, mainly due to the increase / decrease on floating rate borrowings interest expenses.

(b) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and, as well as credit exposures to customers, including outstanding receivables and committed transactions.

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

At December 31, 2007 and December 31, 2006 no customer had exceeded their credit limits apart from those for whom provisions had been made, and Management does not expect significant losses from non-receivables.

The credit limit in relation to cash and cash equivalents is presented in note 15.

(c) Liquidity risk

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

The table below analyses the Group and Company financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP

Amounts in Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2007				
Borrowings	27.050.759	22.486.452	134.427.292	305.814.880
Trade and other payables	45.899.509	1.745.642	-	-
	72.950.269	**24.232.094**	**134.427.292**	**305.814.880**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2006				
Borrowings	22.891.300	23.144.149	78.846.430	284.012.780
Trade and other payables	43.463.855	9.393.342	-	-
	89.246.454	**36.303.993**	**102.145.936**	**509.870.788**

COMPANY

Amounts in Euro	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2007				
Borrowings	-	11.662.804	79.512.974	41.786.880
Trade and other payables	12.435.686	36.148	-	-
	12.435.686	**11.698.952**	**79.512.974**	**41.786.880**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2006				
Borrowings	156.451	-	-	-
Trade and other payables	11.668.222	36.148	-	-
	11.824.673	**36.148**	**-**	**-**

3.2 Capital risk management

The Group and Company objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group and Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2007, the Group and Company strategy, which was unchanged from 2006, was to maintain the gearing ratio within 60% to 65%. The gearing ratios at December 31, 2007 and December 31, 2006 respectively were as follows:

GROUP	**31.12.2007**	**31.12.2006**
Total borrowings (Note 19)	376.077.687	275.815.316
Less: cash and cash equivalents (Note 15)	-46.199.924	-79.911.287
Net debt	**329.877.764**	**195.904.029**
Total equity	452.013.947	408.233.085
Total capital	**781.891.711**	**604.137.114**
Gearing ratio	42%	32%

COMPANY	**31.12.2007**
Total borrowings (Note 19)	103.000.000
Less: cash and cash equivalents (Note 15)	-3.337.105
Net debt	**99.662.895**
Total equity	250.675.620
Total capital	**350.338.514**
Gearing ratio	28%

During 2006, the gearing ratio was 0.

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.

Were the initial yield used in estimating the discount rate in the discounted cash flows analysis to differ by +/- 0,25 bp, the carrying amount of investment property would be an estimated + € 16m. and - € 18m approximately respectively.

(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

- Estimated impairment of assets: the test on impairment of assets is examined annually according to the policy described in note 2.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The Management has proceeded to test of possible assets of impairment in subsidiary LamdaTechnolFlisvos Marina SA. The basic estimation of the Management was the increase by 25% in price table of the afore-mentioned subsidiary the first 3 years (2009-2011), the increase by 0% of the CPI the next 32 years. Also, if the estimation on the price increase at December 31, 2007 was 10% lower or the estimated discounted rate was 10% higher from the Group's estimation, there would not be necessary to have assets impairment.

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

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

5. Segment information

Primary reporting format – business segments

The Group is organised into two business segments:

(1) Real Estate

(2) Shipyards and Marine services

Since Group's subsidiaries LAMDA Shipyards and Marine Services S.A. and ARGONAFTIS M.S.A. were sold, the business segment that refers to shipyards services is regarded as discontinued operation.

The segment results for the year ended 31 December 2007 were as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Total segment revenue	**78.482.935**	**8.409.176**	**86.892.111**
Inter-segment revenue	-	-	-
Revenue	**78.482.935**	**8.409.176**	**86.892.111**
Operating profit	100.560.398	6.857.458	107.417.856
Finance costs	(12.942.255)	(1.565.010)	(14.507.265)
Share of (loss) / profit of associates	1.003.447	-	1.003.447
Profit before income tax	**88.621.590**	**5.292.448**	**93.914.038**
Income tax expense			(23.851.748)
Net profit for the year from continuing operations			**70.062.290**

The segment results for the year ended 31 December 2006 were as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Net sales	**91.294.516**	**6.129.719**	**97.424.235**
Operating profit	142.356.056	(2.697.644)	139.658.412
Finance costs	(16.942.509)	(977.402)	(17.919.911)
Share of (loss) / profit of associates	642.251	-	642.251
Profit before income tax	**126.055.798**	**(3.675.046)**	**122.380.753**
Income tax expense			(29.729.287)
Net profit for the year from continuing operations			**92.651.466**

Discontinued operations (Amounts in Euro)	**Shipyards and Marine Services**	
Net profit for the year from discontinued operations	**2.650.869**	**2.650.869**
Net profit for the year		**95.302.335**

Other segment items included in the income statement for the year ended 31 December 2007 are as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Depreciation of property, plant and equipment (note 7)	1.218.516	665.663	**1.884.178**
Depreciation of intangible assets (note 8)	-	139.926	**139.926**

Other segment items included in the income statement for the year ended 31 December 2006 are as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Depreciation of property, plant and equipment (note 7)	1.761.092	388.374	**2.149.466**
Depreciation of intangible assets (note 8)	-	139.926	**139.926**

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 2007 are as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Assets	**870.932.527**	**73.420.163**	**944.352.690**
Liabilities	**451.803.102**	**40.535.641**	**492.338.743**
Equity	**419.129.425**	**32.884.522**	**452.013.947**
Capital expenditure (notes 6, 7 and 8)	119.716.479	3.181.913	122.898.392

The segment assets and liabilities at 31 December 2006 are as follows:

Continuing operations (Amounts in Euro)	**Real Estate**	**Shipyards and Marine Services**	**Total**
Assets	**707.426.505**	**74.873.351**	**782.299.856**
Liabilities	**326.844.814**	**47.221.957**	**374.066.771**
Equity	**380.581.691**	**27.651.394**	**408.233.085**
Capital expenditure (notes 6, 7 and 8)	8.388.985	15.179.994	23.568.979

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

Segment liabilities comprise operating liabilities.

Capital expenditure comprises acquisitions of property, plant, 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 is activated mainly in Greece and has expanded its operations in other neighbour Balkan countries mainly Romania, Bulgaria, Serbia and Montenegro during 2007.

Amounts in Euro	Sales 1.1.2006 to 31.12.2006	Total assets 31.12.2006	Capital expenditure 1.1.2006 to 31.12.2006
Greece	96.484.679	771.412.803	21.115.499
Other Balkan countries	939.556	10.887.053	2.453.480
Total	**97.424.235**	**782.299.856**	**23.568.979**

Amounts in Euro	Sales 1.1.2007 to 31.12.2007	Total assets 31.12.2007	Capital expenditure 1.1.2007 to 31.12.2007
Greece	86.554.737	874.982.793	22.306.979
Other Balkan countries	337.373	69.369.897	100.688.520
Total	**86.892.111**	**944.352.690**	**122.995.499**

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

C. Analysis of sales by category

Analysis of sales by category

Amounts in Euro	1.1.2007 to 31.12.2007	1.1.2006 to 31.12.2006
Leasing of real estate property	37.344.051	41.013.802
Development and sale of property	28.138.512	40.386.296
Other auxiliary water transportation services	7.526.176	6.097.859
Architects - Engineer services	6.811.001	3.555.633
Consulting on software matters and software procurement	3.788.919	2.555.768
Other auxiliary land transportation	2.241.791	2.914.087
General mechanical works	688.736	-
Real estate management	301.749	279.421
Business consultancy services	51.177	621.369
Total	**86.892.111**	**97.424.235**

The Group has signed agreements of trading cooperation with the tenants that endure from 6 to 26 years. These contracts include base secure remuneration and floating remuneration based on the turnover of the tenants. Future minimum non-cancelable receivables of base remuneration at December 31, 2007 are analyzed as follows:

Not later than 1 year	32.893.534
Later than 1 year but not later than 5 years	125.128.181
Over 5 years	159.380.719
Total	**317.402.434**

The aggregate floating (contingent) remuneration for year 2007 was € 4.513.681 and € 2.994.556 for year 2006.

6. Investment property

Amounts in Euro	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Balance at 1 January	439.017.856	602.702.993	5.540.441	5.495.441
Revenue indexation	-	7.410.357	-	-
Transfer to Receivables	-	(4.656.854)	-	-
Reversal of provisions for completion costs	-	(1.128.656)	-	-
Additions resulting from subsequent expenditure	1.801.877	3.191.373	-	-
Transfer from property, plant & equipment (Note 7)	4.026.653	-	-	-
Transfer to property, plant & equipment (Note 7)	-	(3.828.488)	-	-
Change in subsidiaries consolidation method	-	(223.432.783)	-	-
Decrease in investment property due to sale of subsidiary	-	(3.417.593)	-	-
Disposals	-	-	(3.720.000)	-
Transfer to inventories (Note 13)	-	(20.005.535)	-	-
Indemnity on primary costs	(6.916.943)	-	-	-
Fair value adjustments directly to equity	1.948.347	-	-	-
Fair value adjustments	65.596.161	82.183.042	20.000	45.000
Balance at 31 December	**505.473.951**	**439.017.856**	**1.840.441**	**5.540.441**

Group's investment property was revalued by independent professional valuers at semi-annual basis (SAVILLS HELLAS Ltd). Valuations were based primarily on discounted cash flow projections due to the absence of sufficient current prices for an active market.

The investment property includes property under finance lease that amounts to €13.130.000 (2006: €12.780.000) and property under operating lease that amounts to €171.755.878.

The transfer from property, plant and equipment to investment property in consolidated figures of 2007 refers to property, which no longer fulfills the requirements of being classified as investment property. The difference between the cost of the property that was transferred to investment property, and its fair value at the transfer date was recognized directly in equity in certain reserves from revaluation of investment, less the respective deferred tax and the closing net value of the grant that referred to the specific property.

7. Property, plant and equipment

Amounts in Euro	Land and buildings	Vehicles and machinery	Furniture and other equipment	Software	Investment property under construction	Assets under construction	Total
GROUP - Cost							
1 January 2006	**23.691.667**	**29.029.953**	**2.496.923**	**2.334.005**	**-**	**7.339.338**	**64.891.886**
Disposal of subsidiaries and joint ventures	(10.478.394)	(22.514.949)	(767.248)	(20.428)	-	(677.567)	(34.458.586)
Additions	2.451.500	234.918	141.727	42.478	2.518.149	14.988.834	20.377.606
Disposals	-	-	(35.501)	(128.939)	-	-	(164.440)
Reclassifications	253.542	3.622.221	-	-	-	(3.875.763)	-
Transfer from investment property	3.828.488	-	-	-	-	-	3.828.488
31 December 2006	**19.746.803**	**10.372.142**	**1.835.901**	**2.227.116**	**2.518.149**	**17.774.842**	**54.474.953**
1 January 2007	**19.746.803**	**10.372.142**	**1.835.901**	**2.227.116**	**2.518.149**	**17.774.842**	**54.474.953**
Disposal of subsidiaries	33.668.516	-	-	-		-	33.668.516
Additions	70.189.397	146.904	293.555	14.524	13.677.192	3.106.427	87.427.999
Reclassifications	14.549.602	687.415	(2.021)	-	2.451.500	(17.636.827)	49.669
Transfer to investment property (Note 6)	(4.723.112)	-	-	-	-	-	(4.723.112)
31 December 2007	**133.431.206**	**11.206.462**	**2.127.435**	**2.241.640**	**18.646.842**	**3.244.442**	**170.898.026**
Accumulated depreciation							
1 January 2006	**(926.190)**	**(12.478.397)**	**(1.055.971)**	**(1.297.486)**	**-**	**-**	**(15.758.045)**
Currency translation differences	-	-	14.481	-	-	-	14.481
Disposal of subsidiaries and joint ventures	317.102	10.883.851	400.320	11.390	-	-	11.612.663
Depreciation charge	(847.154)	(399.806)	(423.359)	(479.295)	-	-	(2.149.614)
Disposals	-	-	20.520	119.769	-	-	140.289
31 December 2006	**(1.456.242)**	**(1.994.353)**	**(1.044.008)**	**(1.645.622)**	**-**	**-**	**(6.140.226)**
1 January 2007	**(1.456.242)**	**(1.994.353)**	**(1.044.008)**	**(1.645.622)**	**-**	**-**	**(6.140.226)**
Depreciation charge	(663.408)	(452.401)	(315.934)	(452.435)	-	-	(1.884.178)
Reclassifications	-	1.067	1.086	-	-	-	2.153
Transfer to investment property (Note 6)	696.458			-	-	-	696.458
31 December 2007	**(1.423.191)**	**(2.445.686)**	**(1.358.856)**	**(2.098.057)**	**-**	**-**	**(7.325.791)**
Closing net book amount at 31 December 2006	**18.290.561**	**8.377.789**	**791.893**	**581.494**	**2.518.149**	**17.774.842**	**48.334.727**
Closing net book amount at 31 December 2007	**132.008.014**	**8.760.776**	**768.579**	**143.582**	**18.646.842**	**3.244.442**	**163.572.235**

Amounts in Euro	Land and buildings	Vehicles and machinery	Furniture and other equipment	Software	Investment property under construction	Assets under construction	Total
COMPANY - Cost							
1 January 2006	**155.038**	**1.182**	**990.249**	**2.173.380**	**-**	**3.540**	**3.323.389**
Additions	-	924	46.232	78.333	-	-	125.489
31 December 2006	**155.038**	**2.107**	**1.036.481**	**2.251.713**	**-**	**3.540**	**3.448.878**
1 January 2007	**155.038**	**2.107**	**1.036.481**	**2.251.713**	**-**	**3.540**	**3.448.878**
Additions	-	36.965	48.138	5.988	-	93.567	184.658
Disposals	-	-	(348.304)	-	-	(97.107)	(445.410)
31 December 2007	**155.038**	**39.072**	**736.315**	**2.257.701**	**-**	**-**	**3.188.126**
Accumulated depreciation							
1 January 2006	**(35.112)**	**(130)**	**(615.086)**	**(1.167.458)**	**-**	**-**	**(1.817.787)**
Depreciation charge	(12.403)	(234)	(163.002)	(472.633)	-	-	(648.272)
31 December 2006	**(47.515)**	**(364)**	**(778.088)**	**(1.640.091)**	**-**	**-**	**(2.466.059)**
1 January 2007	**(47.515)**	**(364)**	**(778.088)**	**(1.640.091)**	**-**	**-**	**(2.466.059)**
Depreciation charge	(12.403)	(4.025)	(158.303)	(445.647)	-	-	(620.377)
Disposals / Write-offs	-	-	326.177	-	-	-	326.177
31 December 2007	**(59.918)**	**(4.389)**	**(610.214)**	**(2.085.738)**	**-**	**-**	**(2.760.259)**
Closing net book amount at 31 December 2006	**107.523**	**1.742**	**258.393**	**611.622**	**-**	**3.540**	**982.819**
Closing net book amount at 31 December 2007	**95.120**	**34.683**	**126.101**	**171.963**	**-**	**-**	**427.867**

The amount in classifications regards mainly the subsidiary LamdaTechnolFlisvos Marina SA and the works that were in progress during December 31, 2006 which were completed during 2007, with transfer to property, plant and equipment accounts, where they are depreciated.

8. Intangible assets

Amounts in Euro	**Concessions and similar rights**
GROUP - Cost	
1 January 2006	**5.468.925**
Additions	-
31 December 2006	**5.468.925**
1 January 2007	**5.468.925**
Additions	-
31 December 2007	**5.468.925**
Συσσωρευμένες αποσβέσεις	
1 January 2006	**(460.702)**
Depreciation charge	(139.926)
31 December 2006	**(600.628)**
1 January 2007	**(600.628)**
Depreciation charge	(139.926)
31 December 2007	**(740.554)**
Closing net book amount at 31 December 2006	**4.868.297**
Closing net book amount at 31 December 2007	**4.728.371**

In concessions and rights are included the licences for the management and the operation of the Flisvos Marina for 40 years, and are valued at historical cost less accumulated depreciation.

9. Investments in subsidiaries and associates

	COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**
Balance at the beginning of year	**131.440.237**	**254.645.468**
Additions	34.863.063	16.540.393
Share capital increase	13.964.500	-
Disposal / Write off	-	(93.887.218)
Impairment	-	(5.600.000)
Reversal of provision for impairment	-	38.693.042
Transfer to financial assets available-for-sale (Note 10)	-	(26.757.150)
Decrease in share capital of subsidiaries	(6.152.031)	(52.194.298)
Balance at the end of year	**174.115.769**	**131.440.237**

COMPANY - 31 December 2007 (Amount in Euro)

Name	Cost	Impairment	Carrying amount	Country of incorporation	% interest held
LAMDA ESTATE DEVELOPMENT SA	52.654.314	13.163.962	39.490.352	Greece	100,00%
LAMDA PRIME PROPERTIES SA	12.331.598	-	12.331.598	Greece	100,00%
LAMDA ERGA ANAPTYXIS SA	169.999	-	169.999	Greece	100,00%
LAMDA DOMI SA	13.069.999	-	13.069.999	Greece	100,00%
LAMDA PROPERTY MANAGEMENT SA	209.999	-	209.999	Greece	100,00%
LAMDA HELLIX SA	1.240.000	-	1.240.000	Greece	80,00%
PYLAIA SA	34.379.447	-	34.379.447	Greece	60,10%
LAMDA TECHNOL FLISVOS HOLDING SA	8.190.216	2.484.000	5.706.216	Greece	51,00%
LAMDA ANADIXI SA	59.999	-	59.999	Greece	100,00%
LAMDA PROTYPI ANAPTYXI SA	59.999	-	59.999	Greece	100,00%
LAMDA WASTE MANAGEMENT SA	499.999	-	499.999	Greece	100,00%
GEAKAT SA	13.663.177	-	13.663.177	Greece	100,00%
LAMDA DEVELOPMENT SOFIA E.O.O.D.	23.038	-	23.038	Bulgaria	100,00%
LAMDA DEVELOPMENT SOUTH E.O.O.D.	2.560	-	2.560	Bulgaria	100,00%
LAMDA DEVELOPMENT VITOSHA E.O.O.D.	2.560	-	2.560	Bulgaria	100,00%
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	112.130	-	112.130	Serbia	100,00%
PROPERTY DEVELOPMENT D.O.O.	500	-	500	Serbia	100,00%
LAMDA DEVELOPMENT ROMANIA SRL	500	-	500	Romania	100,00%
ROBIES SERVICES LTD	1.638.000	-	1.638.000	Cyprus	90,00%
LAMDA DEVELOPMENT (NETHERLANDS) BV	18.500.000	-	18.500.000	Netherlands	100,00%
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	1	-	1	Montenegro	100,00%
Investments in subsidiaries	**156.808.034**	**15.647.962**	**141.160.072**		
LAMDA OLYMPIA VILLAGE AE [(α)]	27.105.604	-	27.105.604	Greece	49,24%
LAMDA AKINHTA AE	4.903.594	10	4.903.584	Greece	50,00%
S.C. LAMDA OLYMPIC SRL	1.396.209	838.027	558.181	Romania	50,00%
Investments in joint ventures	**33.405.407**	**838.037**	**32.567.369**		
ECE LAMDA HELLAS AE	204.000	-	204.000	Greece	34,00%
ATHENS METROPOLITAN EXPO SA	119.000	-	119.000	Greece	11,70%
EFG PROPERTY SERVICES SA	29.989	-	29.989	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15.339	-	15.339	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20.000	-	20.000	Serbia	20,00%
Investments in associates	**388.328**	**-**	**388.328**		
TOTAL	**190.601.768**	**16.485.999**	**174.115.769**		

COMPANY - 31 December 2006 (Amount in Euro)

Name	Cost	Impairment	Carrying amount	Country of incorporation	% interest held
LAMDA ESTATE DEVELOPMENT SA	52.654.314	13.163.962	39.490.352	Greece	100,00%
LAMDA PRIME PROPERTIES SA	12.331.598	-	12.331.598	Greece	100,00%
LAMDA ERGA ANAPTYXIS SA	169.999	-	169.999	Greece	100,00%
LAMDA DOMI SA	3.069.999	-	3.069.999	Greece	100,00%
LAMDA PROPERTY MANAGEMENT SA	209.999	-	209.999	Greece	100,00%
LAMDA HELLIX SA	80.000	-	80.000	Greece	80,00%
PYLAIA SA	31.674.947	-	31.674.947	Greece	60,10%
LAMDA TECHNOL FLISVOS HOLDING SA	7.752.949	2.484.000	5.268.949	Greece	45,00%
LAMDA ANADIXI SA	59.999	-	59.999	Greece	100,00%
LAMDA PROTYPI ANAPTYXI SA	59.999	-	59.999	Greece	100,00%
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	12.130	-	12.130	Serbia	100,00%
LAMDA DEVELOPMENT ROMANIA SRL	500	-	500	Romania	100,00%
LAMDA DEVELOPMENT SOFIA E.O.O.D.	23.038	-	23.038	Bulgaria	100,00%
Investments in subsidiaries	**108.099.471**	**15.647.962**	**92.451.509**		
LAMDA OLYMPIA VILLAGE AE [α]	32.221.339	-	32.221.339	Greece	49,24%
LAMDA AKINHTA AE	4.903.594	10	4.903.584	Greece	50,00%
S.C. LAMDA OLYMPIC SRL	2.432.505	838.027	1.594.477	Romania	50,00%
Investments in joint ventures	**39.557.437**	**838.037**	**38.719.400**		
ECE LAMDA HELLAS AE	204.000	-	204.000	Greece	34,00%
EFG PROPERTY SERVICES SA	29.989	-	29.989	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15.339	-	15.339	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20.000	-	20.000	Serbia	20,00%
Investments in associates	**269.328**	**-**	**269.328**		
TOTAL	**147.926.236**	**16.485.999**	**131.440.237**		

GROUP - Investments in associates — **31 December 2007**

Name	Cost	Share in profit / (loss)	Carrying amount		
ECE LAMDA HELLAS AE	204.000	660.561	**864.561**	Greece	34,00%
EFG PROPERTY SERVICES SA	29.989	72.293	**102.282**	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15.339	177.404	**192.743**	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20.000	91.296	**111.296**	Serbia	20,00%
MC ΔΙΑΧΕΙΡΙΣΗ ΑΚΙΝΗΤΩΝ Α.Ε.	40.000	131.266	**171.266**	Greece	25,00%
S.C. LAMDA MED SRL	464	(464)	**0**	Romania	40,00%
ATHENS METROPOLITAN EXPO AE	119.000	-	**119.000**	Greece	11,70%
TOTAL	**428.792**	**1.132.356**	**1.561.148**		

GROUP - Investments in associates — **31 December 2006**

Name	Cost	Share in profit / (loss)	Carrying amount		
ECE LAMDA HELLAS AE	204.000	119.866	**323.866**	Greece	34,00%
EFG PROPERTY SERVICES SA	29.989	59.675	**89.664**	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15.339	87.190	**102.529**	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20.000	(6.028)	**13.972**	Serbia	20,00%
MC ΔΙΑΧΕΙΡΙΣΗ ΑΚΙΝΗΤΩΝ Α.Ε.	40.000	87.000	**127.000**	Greece	25,00%
4K ΑΝΑΠΤΥΞΗ ΑΚΙΝΗΤΟΥ ΑΕ	534.000	(233.644)	**300.356**	Greece	30,00%
S.C. LAMDA MED SRL	464	(464)	**0**	Romania	40,00%
TOTAL	**843.792**	**113.594**	**957.386**		

During the period ended 31 December 2007 the following significant events have occurred:

(a) LAMDA Olympia Village S.A.

On 7/11/2006 the Company transferred 50% of its participation in LAMDA Olympia Village S.A. to HSBC LUXEMBOURG SARL. Specifically, HSBC LUXEMBOURG SARL acquired 13.006.105 shares of LAMDA Olympia Village S.A., which represent 49,29% of the company's share capital. As a result, the Group with this transaction loses the control and in league with HSBC LUXEMBOURG SARL have the power to govern the financial and operating policies of LAMDA Olympia Village S.A.

According to the special terms of the purchase sale contract, the initial cost of the transaction is adjusted upwards with figures as they occur for the period until December 31, 2007 by € 19.000.000 out of which € 9.000.000 were recognized in Group and Company results in the first quarter of 2007. The current total transaction cost amounts to € 165.018.807. The Company has already received € 114.905.055 and the rest of amount (2007: € 50.109.751, 2006: € 42.764.868) remains in Trade and other receivables (note 14).

The aforementioned transaction resulted to the reclassification of the Company's investment in LAMDA Olympia Village S.A. from "Subsidiaries" to "Joint venture" investments with effect from 7/11/2006. According to Group's accounting policies, as described in note 2.3.c, LAMDA Olympia Village S.A., is consolidated by using the proportionate consolidation method.

The most significant joint venture in which the Group participated with 49,24% on 31 December 2007 is LAMDA Olympia Village S.A. in which the Group's proportion in assets, equity, liabilities and financial results that are included in consolidated financial statements is as follows:

	49,24% 1.1.2007 to 31.12.2007	49,24% 01.11.2006 to 31.12.2006
Revenue	44.965.842	5.662.695
Cost of sales	(26.564.623)	(2.183.748)
Fair value gains of investment property	44.254.898	31.014.735
Other operating income / (expenses) - net	(3.770.650)	(2.438.904)
Finance costs - net	(7.008.848)	(1.402.397)
Profit before income tax	**51.876.619**	**30.652.381**
Income tax expense	(12.547.055)	(7.579.465)
Profit for the year from continuing operations	**39.329.564**	**23.072.916**

	31.12.2007	31.12.2006
Non-current assets	276.815.725	235.075.064
Current assets	24.232.193	47.004.655
Non-current liabilities	175.084.917	121.014.371
Current liabilities	7.560.868	76.970.349

Share capital increase / decrease

The subsidiary LAMDA DOMI S.A. proceeded to share capital increase by € 10,000,000 and S.C. LAMDA OLYMPIC SrL, subsidiary by 50%, proceeded to share capital decrease of € 2,072,592. As a result, Company's participation was reduced by € 1,036,296. Also, LAMDA Olympia Village S.A subsidiary by 49.24% decreased its share capital by € 10.389.590 and therefore Company's participation was reduced by € 5.115.735. In addition, PYLAIA S.A., subsidiary by 60.10%, increased its share capital by € 4,500,000 out of which the Company paid € 2,704,500. Finally, the subsidiary Lamda Hellix SA increased its share capital by € 1.450.000.

Increase in interest held

On 2 July 2007, the Company acquired an extra 6% of the share capital of Lamda TechnolFlisvos Marina S.A. from previous shareholder T.AF. S.A. EMPORIKI OIKODOMIKI with transaction cost € 437k. As a result, the Company's participation reached 51%.

Other

The Company, during January 2007, proceeded in the acquisition of 90% of the share capital of Robies Services Ltd with registered office in Nicosia, which owns 100% of Robies Proprietati Imobiliare SRL with registered office in Bucharest that holds a 95.000 sqm plot of land in the western part of Bucharest. The total price of the above transaction is € 1.6m.

Also, in March 2007, the Company established LAMDA Development (Netherlands) BV with registered office in Amsterdam and share capital € 13.5m. On 23 July 2007, the Company increased its participation in 100% subsidiary LAMDA Development (Netherlands) B.V. registered in Amsterdam, by € 5m.

On 4 April 2007, the subsidiary LAMDA Development (Netherlands) BV with registered office in Amsterdam paid € 10.3m for the acquisition of 100% of TIHI E.O.O.D.'s share capital with registered office in Sofia, and then proceeded in € 3m share capital increase. LAMDA Development (Netherlands) BV participated by 95% in the establishment of the Romanian company Lamda Properties Development SRL and by 50% in the establishment of the Serbian company Singidunum Buildings DOO which proceeded to the acquisition of the Serbian company Rang Nekretnine DOO in the amount of € 18m.

The Company in April 2007 established the company LAMDA Development Montenegro D.O.O. with registered office in Montenegro, which proceeded in the acquisition of land in the city of Budva. The total plot of land is 10,500 sqm approximately and is intended to be developed as an exclusive second home resort. The land acquisition cost amounted to € 3.6m.

In addition, during the second quarter of 2007 the Company established the companies LAMDA Waste Management S.A., LAMDA Development VITOSHA E.O.O.D., LAMDA Development SOUTH E.O.O.D. and Property Development D.O.O.

On 3 July 2007, the Company has acquired GEAKAT S.A which holds a 116.000 sq.m plot of land in Perdika district of Aegina island. The total price of the above transaction is approximately € 13.5m.

On 12 July 2007, LAMDA DEVELOPMENT S.A. announced the signing, through its 100% subsidiary company in Romania LAMDA Development Romania SrL, of a pre-sale agreement for a plot of land of 10.000 sq.m in Bucharest. The cost of this plot reached € 4.7m.

On 13 August 2007, the Company announces that its 100% subsidiary company in Serbia, Property Development DOO, was the highest bidder in the open public contest for the sale of the property that was possessed by the company BEKO which was under the status of bankruptcy. The contest took place as an open auction and the bid reached € 55.8 m.

Finally, the Company participated by 11.7% in the share capital of ATHENS METROPOLITAN EXPO S.A. which through a concession agreement is developing and will operate the new Exhibition and Convention Center that will be constructed in the premises of the Athens International Airport.

The companies that were acquired during 2007 have been accounted for as acquisition in net assets in consolidated financial statements.

10. Available-for-sale financial assets

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at the beginning of the year	42.427.796	-	42.427.796	-
Additions	33.653.070		33.653.070	
Transfer from investments to subsidiaries and associates	-	34.455.432		26.757.150
Reserves from revaluation recognised directly in equity (note 17)	(19.369.211)	7.972.364	(19.369.211)	15.670.647
Balance at the end of the year	**56.711.655**	**42.427.796**	**56.711.655**	**42.427.796**

On 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 € 37,7m on 30 September 2006 leading to Company fair value profit of €11m and consolidated fair value profit of € 3,3m, 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.

The total amount of available-for-sale financial assets refers to 6.232.050 shares (2006: 2.492.820 shares) of the listed company Eurobank Properties R.E.I.C., which have been revaluated at fair value at December 31, 2007 and December 31, 2006 and the loss has been transferred to the relevant reserves in equity.

During 2007, the Company acquired 3.739.230 shares participating in the share capital increase paying € 33.653.070. The specific increase did not have any influence on the Company's participation.

11. Derivative financial instruments

	GROUP				COMPANY			
	31.12.2007		31.12.2006		31.12.2007		31.12.2006	
Amounts in Euro	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through the income statement	205.218	-	-	-	-	-	-	-
Interest Rate Swaps	942.072	-	31.150	124.538	-	-	-	-
Total	**1.147.290**	**-**	**31.150**	**124.538**	**-**	**-**	**-**	**-**

The above mentioned derivative financial instruments refer to interest rate swaps. The nominal value of interest rate swaps in abeyance at 31/12/2007 was € 70.000.000 (€ 220.000.000 at 31/12/2006) and have been measured at fair value stated by the counterpart bank. On 31/12/2007 the long-term borrowings floating rates are secured with interest risk derivatives (swaps) ranged according to 3 month Euribor plus 1,25%.

12. 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 amounts which have not been offset are as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Deferred tax liabilities:	**(64.755.661)**	**(44.671.236)**	**(2.331.583)**	**(2.324.871)**
	-	-		
Deferred tax assets:	**551.118**	**20.574**	**-**	**-**
	(64.204.543)	**(44.650.662)**	**(2.331.583)**	**(2.324.871)**

The amounts which have been offset are as follows:

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Deferred tax liabilities:	**71.425.687**	**51.079.001**	**7.270.985**	**2.483.773**
Deferred tax assets:	**7.221.143**	**6.428.339**	**4.939.402**	**158.902**
	(64.204.543)	**(44.650.662)**	**(2.331.583)**	**(2.324.871)**

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:

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at the beginning of the year	**(44.650.663)**	**(44.663.243)**	**(2.324.871)**	**139.715**
Disposal of subsidiaries and joint ventures	-	22.668.332	-	-
Write-off and transfer to results	-	(146.014)	-	-
Charged to the income statement (note 26)	(18.707.648)	(22.569.718)	75.294	(2.492.981)
Income tax charged to equity	(846.233)	59.981	(82.006)	28.396
Balance at the end of the year	**(64.204.543)**	**(44.650.662)**	**(2.331.583)**	**(2.324.871)**

At the Company level, of the total amount that was charged to the Income Statement the amounts of €17.374 concern the reduction of the tax rate for 2006.

At the Group level, of the total amount that was charged to the Income Statement the amounts of €(6.079.065) concern the reduction in the tax rate for 2006.

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)*	Accelerated tax depreciation	Revenue recognition	Changes in fair value of investment property	Other	Total
1 January 2006	**5.710.127**	**-**	30.970.538	**21.123.387**	**57.804.053**
Charged / (credited) to the income statement	1.213.693	2.396.346	25.712.692	(13.184.536)	16.138.195
Charged / (credited) to equity	-	7.788	-	-	7.788
Disposal of subsidiaries and joint ventures	(4.468.569)	-	(9.944.073)	(8.458.394)	(22.871.035)
31 December 2006	**2.455.252**	**2.404.134**	**46.739.157**	**(519.542)**	**51.079.001**
1 January 2007	**2.455.252**	**2.404.134**	**46.739.157**	**(519.542)**	**51.079.001**
Charged / (credited) to the income statement	2.210.348	4.744.764	12.368.863	404.208	19.728.183
Charged / (credited) to equity	-	-	505.362	113.141	618.503
31 December 2007	**4.665.600**	**7.148.898**	**59.613.383**	**(2.194)**	**71.425.687**

COMPANY *(Amounts in Euro)*	Revenue recognition	Changes in fair value of investment property	Other	Total
1 January 2006	**-**		**65.643**	**65.643**
Charged / (credited) to the income statement	2.360.872	-	57.259	2.418.131
31 December 2006	**2.360.872**	**-**	**122.901**	**2.483.773**
1 January 2007	**2.360.872**	**-**	**122.901**	**2.483.773**
Charged / (credited) to the income statement	4.750.000	-	(44.795)	4.705.205
Charged to the income statement	-	-	82.006	82.006
31 December 2007	**7.110.872**	**-**	**160.113**	**7.270.985**

Deferred tax assets:

GROUP *(Amounts in Euro)*	**Provisons for receivables**	**Write off of intangible assets**	**Tax losses**	**Difference in cost of inventory**	**Finance leases**	**Other**	**Total**
1 January 2006	**-**	**519.178**	**-**	**1.950.867**	**3.744.610**	**6.926.155**	**13.140.810**
Charged / (credited) to the income statement	803.510	(221.726)	1.064.360	(1.002.594)	(674.373)	(545.003)	(575.826)
Charged to equity	-	(5.850)	-	-	-	33.554	27.704
Disposal of subsidiaries and joint ventures		(268.802)	-	(435.134)	-	(5.460.413)	(6.164.349)
31 December 2006	**803.510**	**22.800**	**1.064.360**	**513.139**	**3.070.237**	**954.293**	**6.428.339**
1 January 2007	**803.510**	**22.800**	**1.064.360**	**513.139**	**3.070.237**	**954.293**	**6.428.339**
Charged / (credited) to the income statement	(94.666)	(114.814)	1.752.799	(359.509)	(168.804)	(222.203)	792.804
31 December 2007	**708.845**	**(92.014)**	**2.817.159**	**153.630**	**2.901.432**	**732.091**	**7.221.143**

COMPANY *(Amounts in Euro)*	**Provisons for receivables**	**Tax losses**	**Other**	**Total**
1 January 2006	**-**	**-**	**205.357**	**205.357**
Credited to the income statement	-	-	(46.455)	(46.455)
31 December 2006	**-**	**-**	**158.902**	**158.902**
1 January 2007	**-**	**-**	**158.902**	**158.902**
Charged to the income statement	3.343.364	1.420.773	16.363	4.780.500
31 December 2007	**3.343.364**	**1.420.773**	**175.265**	**4.939.402**

13. Inventories

	GROUP		**COMPANY**	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Merchandise	96.621	89.682	-	-
Property under construction for sale	48.036.087	58.305.061	-	-
Total	**48.132.708**	**58.394.743**	**-**	**-**

The change in property under construction for sale mainly refers to the sale of offices from LAMDA Olympia Village S.A, subsidiary by 49.24%, in the amount of € 20.3m. (31/12/2006) and to the acquisition of land in Aegina in the amount of € 13.4m. through the acquisition of subsidiary GEAKAT SA (note 7, 9).

14. Trade and other receivables

	GROUP		**COMPANY**	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Trade receivables	11.157.193	12.578.041	196.447	99.767
Less: provision for impairment	(1.990.732)	(530.000)	-	-
Trade receivables - net	**9.166.461**	**12.048.041**	**196.447**	**99.767**
Prepayments and other receivables	3.582.684	3.577.577	1.149.736	253.301
HSBC receivable (note 9)	50.109.751	42.764.868	50.109.751	42.764.868
Property transfer tax (note 6)	4.656.854	4.656.854	-	-
Receivable from ETA [(a)]	7.670.589	7.670.589	-	-
VAT receivable [(b)]	25.929.997	29.386.835	-	-
VAT receivable from shopping center development	3.055.444	1.046.495	-	-
Amounts due from related parties (note 30)	461.099	462.556	4.336.099	3.616.020
Borrowings to related parties (note 30)	6.500.971	7.288.263	83.961.708	17.410.766
Deferred expenses	1.881.910	-	27.000	-
Long-term receivables impairment	(2.714.431)	(3.072.146)	(13.373.457)	-
Total	**110.301.330**	**105.829.932**	**126.407.285**	**64.144.722**
Receivables analysis:				
Non-current assets	23.840.421	75.377.186	61.115.108	49.730.705
Current assets	86.460.911	30.452.747	65.292.177	14.414.017
	110.301.330	**105.829.933**	**126.407.285**	**64.144.722**

(a) The figure “Receivables from ETA” amount to € 7.670.589 (2006: € 7.670.589) is related to claims between Hellenic Touristic Properties (ETA) and the subsidiary Lamda TechnolFlisvos Marina. The whole amount concerns development expenses for Flisvos Marina for which the subsidiary was burdened on ETA’s behalf. (Refer to note 21 regarding the subsidiary’s liability to ETA for rental amounts owing.)

(b) The figure “VAT receivable” includes receivables amount to € 26.487.183 (2005: € 40.858.369) which are related to VAT paid for construction costs of the shopping centers, according to art.24 of Law3522/22.12.2006. The right to rebate the tax or compensate the above amount with future tax liabilities is established with the supplementary provision of POL 1112 (05/12/2007). Part of the receivables € 3.5 m. has been offset during the fiscal year and as a result the provision of impairment has been reversed in the finance results. The specific receivables is measured in the balance sheet 31/12/2007 at fair value as follows:

VAT receivable	25.929.997
Less: Impairment loss	(2.520.990)
Fair value	**23.409.007**

(c) Receivables from HSBC

This figure represents the balance of Company’s receivables as occurs after the purchase sale agreement of 49.24% of the share capital of participation in subsidiary LAMDA Olympia Village S.A. (note 9). That receivable is recorded in current assets since it will be finalised on December 31, 2008 when received.

The Group has recognised losses amount to € 1.460.732 (2006: € 161.000) for the impairment of its trade receivables during the year. The impairment losses are included within ‘Other operating income / (expenses) – net’ in the income statement.

Also, the Company has calculated impairment on non-bearing interest borrowings of € 62.2 m. that have been granted to related parties by € 14.8m. That loss has been included within ‘Other operating income / (expenses) – net’ in the Company income statement. Any reversal in long-term borrowings impairment is included in finance income / (expenses) in the income statement. The fair value of borrowings granted to related parties was based on impaired cash flows, using the borrowing rate of 7%.

The changes in provisions of bad-debts are as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at 1 January	(530.000)	(1.345.515)	-	-
Bad debts provisions	(1.460.732)	(161.000)	-	-
Disposal of subsidiary	-	976.515	-	-
Balance at 31 December	**(1.990.732)**	**(530.000)**	**-**	**-**

The other receivables for which no impairment or bad debt provision has been applied are equal to the carrying amounts.

During 2007, the borrowing which had been granted from parent company to LAMDA Olympia Village S.A. and presented in ‘Borrowings granted to related parties’ was paid. At the end of current period, this figure mainly includes the receivables from borrowings granted from LAMDA Development Romania SRL, 100% subsidiary, to the associate SC LAMDA MED SRL, as well as borrowings granted from 100% subsidiary Lamda Estate Development SA to its subsidiary by 50% GLS OOD.

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

15. Cash and cash equivalents

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Cash at bank	46.083.572	29.581.206	3.331.221	1.499.788
Cash in hand	116.352	330.081	5.885	4.514
Short-term bank deposits	-	50.000.000	-	50.000.000
Total	**46.199.924**	**79.911.287**	**3.337.105**	**51.504.302**

At the balance sheet date, the Company did not hold any short-term bank deposits.

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

Group has a significant concentration of credit risks with respect to cash and cash equivalents due to the fact that they are deposited 10% over the total cash and cash equivalents in four different banks. However, no significant credit losses are anticipated in view of the high credit status of these banks.

The credit risk of cash and cash equivalents has been categorized in the following table in relation to the credit risk ratio (S&P rating list):

		GROUP		COMPANY	
Counterparty	**S&P Rating**	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Piraeus Bank	A-2	13.809.041	26.908.331	-	23.000.000
Eurobank EFG	A-2	17.176.343	16.499.592	3.320.530	382.742
HSBC Bank	A-1+	9.817.761	3.245.162	-	-
Alpha Bank	A-2	729.996	14.405.293	10.506	13.100.157
Societe Generale	A+1	533.754	9.004	-	-
Marfin Egnatia Bank	A-2	-	15.000.264	-	15.000.000
Deutche Postbank	A-2	1.014.110	-	-	-
ING Bank	A-1+	154.128	-	-	-
Not applicable		2.848.438	3.513.561	184	16.890
		46.083.572	**79.581.206**	**3.331.220**	**51.499.788**

16. Share capital

Amounts in Euro	**Number of shares**	**Ordinary shares**	**Share premium**	**Treasury shares**	**Total**
1 January 2006	**44.029.950**	**13.208.985**	**222.669.107**	**-**	**235.878.092**
Deferred tax adjustment	-	-	27.118	-	27.119
Purchase of treasury shares	(22.028)	-	-	(182.393)	(182.393)
31 December 2006	**44.007.922**	**13.208.985**	**222.696.225**	**(182.393)**	**235.722.818**
		-			
1 January 2007	**44.007.922**	**13.208.985**	**222.696.225**	**(182.393)**	**235.722.818**
Purchase of treasury shares	(34.939)	-	-	(440.934)	(440.934)
31 December 2007	**43.972.983**	**13.208.985**	**222.696.225**	**(623.327)**	**235.281.883**

The Company's share capital consists of 44.029.950 ordinary shares with a par value € 0.30. All shares are fully paid up. All shares are listed in the Athens Stock Exchange (category of high capitalization). The Company shares are ordinary shares with voting right.

The Company during 2007 purchased 34.939 treasury shares with total cost € 440.934, and average price € 12.57 per share, according to the Annual Shareholders Meeting at May 24, 2007 which approved the purchase of treasury shares up to 10% on the total amount of shares, in accordance with article 16 par.5-13 and Law 2190/1920 before the amendment of Law 3604/2007. On 31/12/2007 the Company owns a total amount of 56.967 treasury shares of € 623.327 and average price € 10.90 per share.

17. Other reserves

Amounts in Euro

GROUP	Statutory reserve	Special reserve	Tax-free reserve	Reserves from revaluation of available-for-sale financial assets	Hedging reserve	Reserves from revaluation of assets	Reserves from options scheme	Currency translation differences	Total
1 January 2006	**1.659.465**	**74.835**	**3.783.969**	**-**	**-**	**-**	**28.974**	**436.228**	**5.983.471**
Currency translation differences	-	-	-	-	-	-	-	37.900	37.900
Disposal of subsidiaries and joint ventures	(27.625)	-	-	-	-	-	(28.974)	-	(56.599)
Changes during the year	1.801.536	-	-	-	-	-	-	-	1.801.536
Other		-	-	15.670.647	(79.362)	-	-	-	15.591.285
31 December 2006	**3.433.375**	**74.835**	**3.783.969**	**15.670.647**	**(79.362)**	**-**	**-**	**474.129**	**23.357.593**
1 January 2007	**3.433.376**	**74.835**	**3.783.969**	**15.670.647**	**(79.362)**	**-**	**-**	**474.129**	**23.357.593**
Currency translation differences	-	-	-	-	-	-	-	(1.742.935)	(1.742.935)
Changes during the year	460.412	-	-	(19.369.211)	504.001	2.794.828	-	-	(15.609.970)
Other	-	-	-	-	-	-	246.019	-	246.019
31 December 2007	**3.893.787**	**74.835**	**3.783.969**	**(3.698.565)**	**424.639**	**2.794.828**	**246.019**	**(1.268.806)**	**6.250.706**

Minority interest

COMPANY	Statutory reserve	Special reserve	Tax-free reserve	Reserves from revaluation of available-for-sale financial assets	Reserves from options scheme	Total
1 January 2006	**834.540**	**74.835**	**3.721.313**	**-**	**-**	**4.630.689**
Currency translation differences	-	-	-		-	-
Changes during the year	1.750.861	-	-	15.670.647		17.421.508
Other	-	-	-		-	-
31 December 2006	**2.585.401**	**74.835**	**3.721.313**	**15.670.647**	**-**	**22.052.196**
1 January 2007	**2.585.401**	**74.835**	**3.721.313**	**15.670.647**	**-**	**22.052.196**
Currency translation differences	-	-	-		-	-
Changes during the year	-	-	-	(19.369.211)	-	(19.369.211)
Other	-	-	-		246.019	246.019
31 December 2007	**2.585.401**	**74.835**	**3.721.313**	**(3.698.565)**	**246.019**	**2.929.004**

(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.

(d) Reserves from financial assets available-for-sale evaluation

The above-mentioned reserves represent the fair value surplus of Eurobank Properties R.E.I.C evaluation.

(e) Hedging reserve

The above-mentioned reserves represent the fair value surplus of the cash flow hedging derivative at fair value in the amount of (€ 942.072) (net of deferred tax € 141546 and minority interest € 566.185).

(f) Reserves from revaluation of assets

The above-mentioned reserves refer to property, plant and equipment which was reclassified as investment property and includes the difference between the cost of the property and its fair value at the transfer date less the respective deferred tax and the closing net value of the grant that referred to the specific property.

(g) Reserves from option scheme

The above-mentioned reserves refer to option scheme (note 18).

(h) Reserves from currency translation differences

The above-mentioned reserves refer to currency translation differences from the conversion of financial statements from foreign companies which functional currency is other than Euro.

18. Share option scheme

According to the provisions of article 13, paragraph 13 of the C.L. 2190/1920, by virtue of a decision of the General Meeting, which is made by increased quorum and majority, according to the provisions of articles 29 paragraph 3 & 4 and 31 paragraph 2 of the C.L. 2190/1920, a stock option plan may be introduced in favour of members of the Board of Directors and personnel of the Company, and of affiliated companies, in the form of the option to purchase shares, according to the specific terms of this decision, a summary of which is subject to the requirements of publication set out in article 7b of C.L. 2190/1920. The decision of the General Meeting especially specifies the maximum number of shares that can be issued, which cannot exceed 10% of the existing shares, the price and the terms of distribution of the shares to the beneficiaries. The Board of Directors decides on any other relevant details not otherwise determined by the General Meeting, issues the stock option certificates and the shares to the beneficiaries who have exercised their option, increasing respectively the capital and certifying the relative increase of it, according to article 11 of the C.L. 2190/1920.

Pursuant to the above provisions, the Annual General Meeting of the shareholders, which was held on 23.06.2006, decided the distribution of stock option certificates for the purchase of up to 1,500,000 shares of the Company that is 3.41% of the total share capital within the next five years, to members of the personnel who provided their services on 31.12.2006 in any kind of relationship and form of employment including the members of the Board of Directors. Criterion for the participation in this reward programme is the contribution to the Company's mission as well as to LAMDA Development group of companies' mission, in combination with the position and the operational liability level of each employee. In execution to the abovementioned decision the Board of Directors on its meeting on 07.06.2007 decided the distribution of certificates for the purchase of 138.490 shares to 13 beneficiaries. The exercise price per share amounts to 7.5 euros. The exercise of the options may take place after a period of three years from the end of the fiscal year, which those options concern.

19. Borrowings

Amounts in Euro	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Non-current borrowings				
Bank borrowings	294.000	30.000.000	-	-
Bonds	337.440.512	212.552.000	103.000.000	-
Finance lease liabilities	11.292.415	10.372.016	-	-
Total non-current borrowings	**349.026.928**	**252.924.016**	**103.000.000**	**-**
Current borrowings				
Bank borrowings	20.284.284	266.106	-	156.451
Bonds	6.409.200	20.666.414	-	-
Finance lease liabilities	357.276	1.958.779	-	-
Total current borrowings	**27.050.759**	**22.891.300**	**-**	**156.451**
Total borrowings	**376.077.687**	**275.815.316**	**103.000.000**	**156.451**

The movements in borrowings are as follows:

Amounts in Euro	GROUP	COMPANY
Balance at 1 January 2006	362.721.855	52.340.695
Bank borrowings	126.584.492	106.082.073
Bonds	156.304.814	30.000.000
Change in subsidiary consolidation method	(99.508.784)	-
Sale of subsidiaries	(12.186.072)	-
Borrowings repayments	(257.463.726)	(188.266.316)
Finance lease repayments	(637.265)	-
Balance at 31 December 2006	**275.815.316**	**156.451**

12 months ended 31 December 2007 *(Amounts in Euro)*	GROUP	COMPANY
Υπόλοιπο 1 Ιανουαρίου 2007	275.815.316	156.451
Bank borrowings	19.001.758	-
Bonds	300.872.000	103.000.000
Acquitition of Subsidiaries	1.658.500	-
Refinancing	(197.872.000)	-
Borrowings transaction costs	(1.402.288)	-
Borrowings transaction costs - transfer from property, plant & equip	(300.000)	-
Borrowings repayments	(21.014.495)	(156.451)
Finance lease repayments - additions	4.810	-
Finance lease repayments	(685.914)	-
Balance at 31 December 2007	**376.077.687**	**103.000.000**

Borrowings are secured by mortgages on the Group's land and buildings (note 6 and 7), by additional pledges of parent company's shares and by assignment of subsidiaries' receivables and insurance compensations.

Part of the borrowings, amount to € 76.5m. that are assigned to subsidiaries are secured by the parent company.

The maturity of non-current borrowings is as follows:

Amounts in Euro	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Between 1 and 2 years	3.734.988	3.766.502	-	-
Between 2 and 5 years	80.324.171	23.299.506	63.000.000	-
Over 5 years	264.967.769	225.858.008	40.000.000	-
	349.026.928	**252.924.016**	**103.000.000**	**-**

Part of the borrowings that are assigned to subsidiaries are secured with assignment of receivables.

The carrying amount of the fixed rate Group's borrowing as at 31/12/2007 equals to €212.6m and the fair value equals to €166.8m.(31/12/2006: carrying amount €213.3 m., fair value €213.7m.). The fair values of the fixed rate loans are based on cash flows discounted using a rate based on the borrowing rate of 3Month Euribor as at 31/12/2007 which was 4.684% (31/12/2006 : 3.725%). There are no fixed rate borrowing for the Company as at 31/12/2007 and 31/12/2006.

On 31 December 2007 the borrowings floating rates ranged from 5.46% to 5.85% based on Euribor. (31/12/2006: 4.51% to 4.91%).

The exposure of the group and company's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	31/12/07 Group	31/12/07 Company
Fixed Rate	212.552.000	-
1 month	11.598.776	-
3 months	109.500.000	103.000.000
6 months	30.378.000	-
Over 6 months	12.048.911	-
	376.077.687	**103.000.000**

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

Bank borrowings (current)	5.88%
Bank borrowings (non-current)	5.82%
Bonds (current)	5.00%
Bonds (non-current)	5.28%

By taking into account the participation interest held of each company, it is noted that on 31 December 2007, the average base effective interest rate that the Group is borrowed is 4.34% and the average bank spread is 0.98%. Therefore, the Group total effective borrowing rate is 5.32%. Respectively, the average interest rate for the Company is 5.29% (spread 0.90%).

The Company, during the last quarter of 2007, signed 3 bond loans as a total of € 103m. (3 year €30m.with Alpha Bank, 6 years € 40m. with Millenium Bank and 5 years € 33m.with EFG Eurobank) with the following terms: 3 month interest period, spread 0.90% and capital repayment at the maturity date. Especially regarding the bond loan from EFG Eurobank, another €12m are available. The purpose of receiving these loans is to fulfil the financial cash flow needs for the middle-long term period. Moreover, for the first two aforementioned loans the following financial covenants exist: the company's borrowing (current and non-current) divided to the shareholders equity should not be higher to 1.5 and the group's borrowing divided to the shareholders' equity should not higher to 3.

On 30 May 2007, the loan refinancing of the associate Lamda Olympia Village S.A. was completed. The new bond loan of € 280m. has a seven year duration and a fixed rate of 4.9655%. The interest will be paid quarterly and the capital at the end of the seven year period. More specifically, the bridge loans of € 80m. and € 50m. from EFG Eurobank and HSBC Bank plc respectively, as well as the prior loan of € 150m. of Lamda Olympia Village S.A. from HSBC Bank plc, were repaid through the refinancing. The new loan has been presented reduced by the transaction costs (commission fees, legal, notary and mortgage registration expenses) which amount to € 3.2m. These expenses will be depreciated through the income statement until the maturity of the loan.

In addition, in June 2007 the associate Lamda Olympia Village S.A. repaid the remaining intercompany loan of € 10m. granted from LAMDA DEVELOPMENT S.A.

The non-current bond loan of € 280m. that associate Lamda Olympia Village S.A. has signed with HSBC Bank plc has to fulfil the following two financial covenants:

a) The loan to value for the first five years should not exceed 70%. More specifically, after 5 years from the date of issuance and until the date of maturity of the loan, this ratio should not higher to 68.2%.

b) The interest cover ratio should be higher or equal to 125%. This ratio is calculated by dividing the net good servicing of the quarter to the financial expenses of the quarter. Also this ratio constitutes indication for the good servicing of the loan interest dues and its calculation is conducted both for the last quarter (actual data) and for the upcoming four quarters (forecast).

Respectively, the non-current bond loan of €70m. that the subsidiary PYLEA SA has signed with EUROHYPO has to fulfil the following two financial covenants:

a) The loan to value for the first five years should not exceed 80%.

b) The Debt Service Coverage Ratio (DSCR) should be higher or equal to 120%. It is defined as the ratio of the Annual Net Property Income to the Annual Debt Service.

In addition, an appropriate hedging instrument satisfactory to the Bank for a minimum period of 5 years will be required for the total amount if the following event occur: DSCR falls below 130%. (Pylea has already a hedge in place, SWAP with a fixed rate at 3.94%).

As at 31/12/2007 and 31/12/2006 the Company and the Group fulfil all the financial covenants.

Also, in June 2007 Lamda Technol Flisvos Marina S.A. bridge loan was converted in bond loan. The main clauses of the loan are the following: capital of € 30m., duration twelve years, grace period two years (only interest payments), and capital repayment of € 10.8m. at maturity date. The spread was decreased at 1.2% and the base interest rate is six-month Euribor. The new loan has been presented reduced by the transaction costs which amount to € 300k. (which € 300k. was recorded in the assets under construction, note 7). These expenses will be depreciated through the income statement until the maturity of the loan.

Finance leases

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	695.588	1.503.574	-	-
Later than 1 year but not later than 5 years	2.761.853	6.006.439	-	-
Over 5 years	11.288.028	10.862.647	-	-
Total	**14.745.469**	**18.372.660**	**-**	**-**
Less: Future finance charges on finance leases	(3.095.778)	(6.041.864)	-	-
Present value of finance lease liabilities	**11.649.691**	**12.330.795**	**-**	**-**

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

Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Not later than 1 year	357.276	669.229	-	-
Later than 1 year but not later than 5 years	1.522.617	3.157.652	-	-
Over 5 years	9.769.799	8.503.914	-	-
Total	**11.649.691**	**12.330.795**	**-**	**-**

20. Retirement benefit obligations

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Balance sheet obligations for:				
Pension benefits	368.545	303.200	326.589	275.993
Total	**368.545**	**303.200**	**326.589**	**275.993**

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Income statement charge (note 22):				
Pension benefits	116.045	272.493	86.684	278.202
Total	**116.045**	**272.493**	**86.684**	**278.202**

The amounts recognised in the balance sheet are as follows:

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Present value of unfunded obligations	407.999	310.900	354.100	273.628
Unrecognised actuarial profit / (losses)	(39.454)	(7.700)	(27.511)	2.365
Liability in the balance sheet	**368.545**	**303.200**	**326.589**	**275.993**

The amounts recognised in the income statement are as follows:

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Current service cost	75.887	65.009	62.192	52.685
Interest cost	12.456	8.747	10.927	8.002
Net actuarial profit / (losses) during the year	386	2.576	-	494
Additional payments or Income / (expenses)	27.316	196.161	13.565	217.021
Total included in employee benefit expenses (note 22)	**116.045**	**272.493**	**86.684**	**278.202**

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

	GROUP		COMPANY	
Amounts in Euro	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
Balance at the beginning of the year	303.200	583.332	275.993	173.098
Disposal of subsidiaries and joint ventures	-	(316.286)	-	-
Redundancy payments made	(50.700)	(236.338)	(36.088)	(175.307)
Total expense charged in the income statement	116.045	272.492	86.684	278.202
Balance at the end of the year	**368.545**	**303.200**	**326.589**	**275.993**

The principal annual actuarial assumptions that were used for accounting purposes are as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Discount rate	4,84%	4,10%	4,84%	4,10%
Future salary increases	5,00%	4,00%	5,00%	4,00%

21. Trade and other payables

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Trade payables	8.031.920	9.541.268	562.585	345.441
Borrowings from related parties (Note 30)	1.071.442	-	-	-
Amounts due to related parties (note 30)	2.337.668	3.987.839	71.342	109.970
Social security cost and other taxes	896.107	944.161	569.135	384.837
Unearned and deferred income	2.663.856	6.983.684	-	-
Accrued expenses (γ)	3.925.490	1.937.172	825.337	450.000
Customer prepayments	3.275.964	759.121	126.881	151.881
Liability to the Municipality of Amarousiou (a)	9.825.517	9.825.517	9.825.517	9.825.517
Liability to ETA (b)	8.507.563	12.662.999	-	-
Other liabilities	7.109.624	6.215.436	491.036	436.724
Total	**47.645.152**	**52.857.197**	**12.471.834**	**11.704.370**

Analysis of obligations:

	GROUP		COMPANY	
Amounts in Euro	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Non-current assets	1.745.642	9.393.342	36.148	36.148
Current assets	45.899.509	43.463.855	12.435.686	11.668.222
Total	**47.645.152**	**52.857.197**	**12.471.834**	**11.704.370**

a) The liability to the Municipality of Amarousion represents Company's obligation related to LAMDA Olympia Village purchase (former DIMEPA). The balance will be paid off within next year.

b) According to the Management and legal advisors' estimations, the liability of LamdaTechnolFlisvos Marina SA was reduced by € 8.6 m., amount which is represent in 'Other operating income / (expenses) – net', due to anticipation of favorable outcome. In addition, LamdaTechnolFlisvos Marina SA has calculated provision for € 5.5 m. for current period's rents until 31/12/2007 (note 14).

c) The amount mainly refers to borrowings interest for current period rents until 31/12/2007 which have not been paid.

Trade and other payables' fair value is equal to the carrying amounts.

22. Expenses related to investment property

	GROUP		COMPANY	
	1.1.2007 to 31.12.2007	1.1.2006 to 31.12.2006	1.1.2007 to 31.12.2007	1.1.2006 to 31.12.2006
Shopping center common charges	336.237	563.004	-	-
Promotion and marketing expenses	3.113	41.875	-	-
Parking expenses	718.884	998.029	-	-
Property management fees	1.849.031	2.242.273	-	-
Administrative fees	91.412	35.323	-	-
Operating lease	2.914.770	2.861.346	-	-
Insurance costs	499.779	608.665	-	-
Lawyer fees	304.692	419.301	-	-
Technical advisors' fees	182.476	1.344	-	-
Taxes - charges	690.543	318.128	-	-
Commercialization	34.645	346.152	-	-
Maintenance and repairs	79.404	500.802	-	-
Other	124.759	208.129	-	-
Total	**7.829.746**	**9.144.372**	**-**	**-**

23. Other operating income / (expenses) net

	GROUP		COMPANY	
Amounts in Euro	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Professional fees	6.307.787	5.638.307	1.794.882	3.824.856
Promotion and marketing expenses	979.826	1.887.245	415.781	309.947
Common charges	4.407.120	2.188.058	488.806	388.699
Donations and grants	1.027.850	38.214	1.013.380	7.466
Other	1.701.477	4.152.035	659.894	1.975.723
Total	**14.424.059**	**13.903.858**	**4.372.743**	**6.506.690**

	GROUP		COMPANY	
Amounts in Euro	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Participation impairment	-	-	-	(5.600.000)
Impairment of long-term receivables (Note 14)	-	(3.072.156)	(14.791.151)	-
Proceeds from indexation (Note 21)	8.404.549	-	-	-
Impairment of bad-debts (Note 14)	(1.460.732)	(161.000)	-	-
Loss from derivatives evaluation (Note 11)	(217.703)	-	-	-
Other	216.122	1.073.983	67.696	406.575
Total	**6.942.236**	**(2.159.173)**	**(14.723.455)**	**(5.193.425)**
Total of other operating income / (expenses) net	**(7.481.824)**	**(16.063.031)**	**(19.096.198)**	**(11.700.116)**

24. Employee benefits

	GROUP		COMPANY	
Amounts in Euro	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Salaries and wages	5.971.273	4.925.866	4.710.034	3.517.194
Social security costs	977.181	830.101	693.571	549.467
Cost of share option scheme (Note 20)	116.045	272.493	86.684	278.202
Retirement benefit expenses (note 18)	328.025	-	328.025	-
Other employee benefit expenses	486.342	935.253	379.300	852.030
Total	**7.878.866**	**6.963.714**	**6.197.615**	**5.196.894**
Number of employees	**143**	**131**	**84**	**80**

25. Finance costs – net

	GROUP		COMPANY	
Amounts in Euro	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Interest expense				
- Bank borrowings interest and expense	(15.463.726)	(17.907.125)	(1.783.191)	(4.868.927)
- Costs on issuance of bond loans (Note 19)	(173.392)	-	-	-
- Finance leases (Note 19)	(761.562)	(1.122.408)	-	-
	(16.398.681)	(19.029.533)	(1.783.191)	(4.868.927)
Reversal of impairment of receivables (Note 14)	357.719	-	1.417.695	-
Interest income	1.772.102	1.054.017	1.456.558	1.181.464
	(14.268.860)	(17.975.516)	1.091.062	(3.687.463)
Net foreign exchange gains / (losses)	(238.405)	55.605	-	-
Total	**(14.507.265)**	**(17.919.911)**	**1.091.062**	**(3.687.463)**

26. Income tax expense

Amounts in Euro	GROUP 1.1.2007 to 31.12.2007	GROUP 1.1.2006 to 31.12.2006	COMPANY 1.1.2007 to 31.12.2007	COMPANY 1.1.2006 to 31.12.2006
Current tax	(5.144.100)	(7.159.569)	-	(6.665.984)
Deferred tax (note 12)	(18.707.648)	(22.569.718)	75.294	(2.492.981)
Total	**(23.851.748)**	**(29.729.287)**	**75.294**	**(9.158.965)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows:

Amounts in Euro	GROUP 1.1.2007 to 31.12.2007	GROUP 1.1.2006 to 31.12.2006	ΕΤΑΙΡΙΚΑ ΣΤΟΙΧΕΙΑ 1.1.2007 to 31.12.2007	ΕΤΑΙΡΙΚΑ ΣΤΟΙΧΕΙΑ 1.1.2006 to 31.12.2006
Profit before tax	93.914.038	122.380.753	(2.704.046)	88.988.786
Tax calculated at domestic tax rate applicable to profits in the respective countries	(23.478.509)	(35.490.418)	676.012	(25.806.748)
Income not subject to tax	759.641	25.372.754	494.577	25.372.754
Expenses not deductible for tax purposes	(393.406)	(7.956.492)	(453.594)	(2.058.986)
Tax effect on deducible interest income	(640.968)	-	(640.968)	-
Additional tax expense	(166.295)	(61.887)		(7.341)
Other taxes not being compensated	(193.639)	(2.315.336)		(2.315.336)
Tax losses of current period carried forward	(649.936)	(1.149.000)	(732)	-
Utilisation of tax losses brought forward	2.217.962	(3.785.600)	-	-
Taxes over profits being distributed	-	(4.318.068)	-	(4.318.068)
Differences arising from tax audit	(1.306.597)	(25.239)	-	(25.239)
Tax charge	**(23.851.748)**	**(29.729.287)**	**75.295**	**(9.158.965)**

27. Cash generated from operations

Amounts in Euro	Σημείωση	GROUP 1.1.2007 to 31.12.2007	GROUP 1.1.2006 to 31.12.2006	COMPANY 1.1.2007 to 31.12.2007	COMPANY 1.1.2006 to 31.12.2006
Profit for the year from continuing operations		70.062.290	92.651.465	(2.628.752)	78.781.402
Adjustments for:					
Tax	26	23.851.748	29.729.287	(75.294)	9.158.965
Depreciation of property, plant and equipment	7	1.884.178	2.149.466	620.377	648.272
Depreciation of intangible assets	8	139.926	139.926	-	-
Provisions for customers' write-off	14	1.460.732	161.000	-	-
Impairment of receivables	14	-	3.072.146	14.791.151	-
Share option scheme	18	328.025	-	328.025	-
Proceeds from participation sale		(19.005.836)	(37.984.028)	(19.000.000)	(66.929.471)
Reversal of provision for participation impairment		-	-	-	(38.693.042)
Participation impairment		-	-	-	5.600.000
Share of profit of associates	9	(1.003.447)	(642.251)	-	-
Proceeds from dividends		(1.670.189)	(1.620.333)	(1.978.309)	(1.620.333)
Other provisions		18.379	(234.815)	14.854	(96.890)
Retirement benefit obligations expense	20	65.345	272.492	50.596	102.895
Interest income	25	(2.129.821)	(1.054.017)	(2.874.253)	(1.181.464)
Interest expense	25	16.398.681	19.029.532	1.783.191	4.868.927
Currency translation differences	25	238.405	(55.606)	-	-
Fair value gains/ (losses) of investment property	6	(65.596.162)	(82.183.042)	(20.000)	(45.000)
Proceeds from forfeiture of guarantee letters	6	6.916.943	-	-	-
Other non cash income / (expense)		(547.588)	(19.315.680)	(9.477)	503.100
		31.411.610	**4.115.544**	**(8.997.890)**	**(8.902.638)**
Changes in working capital:					
Decrease in inventories		10.966.028	2.160.304	-	-
(Increase) / decrease in receivables		837.937	(32.477.377)	(45.928)	(48.525.976)
Increase / (decrease) in payables		(10.346.262)	(63.360.111)	1.594	(24.303.167)
		1.457.703	**(93.677.184)**	**(44.333)**	**(72.829.144)**
Cash generated from operations		**32.869.313**	**(89.561.640)**	**(9.042.224)**	**(81.731.782)**

28. 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 intangible assets mainly buildings and mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

(Amounts in Euro)	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Not later than 1 year	16.545.811	16.520.901	558.690	379.755
Later than 1 year but not later than 5 years	72.729.625	71.014.277	1.549.318	946.049
Over 5 years	972.605.129	989.003.149	1.212.358	564.371
	1.061.880.565	**1.076.538.327**	**3.320.366**	**1.890.175**

On 29/08/2006 LAMDA DOMI S.A., 100% Group's subsidiary, leased from Olympiaka Akinita S.A. part of International Broadcast Centre with a view to develop it as trading and business centre. The leasing duration determined to 40 years. The consideration was designated to € 7.250.000 for the first leasing year. The consideration will be adjusted yearly according to consumer price index plus 2% for the first 15 years, while for the remaining years it will be adjusted only by the consumer price index. The total amount payable to lessor is estimated to reach € 436m approximately.

The comparative figures of 31 December 2006 do not take the annual adjustment of the above-mentioned leases into account.

The Group has no contractual liability for investment property repair and maintenance services.

29. 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:

	GROUP		ΕΤΑΙΡΙΚΑ ΣΤΟΙΧΕΙΑ	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Liabilities *(Amounts in Euro)*				
Letters of guarantee to creditors	13.659.021	18.778.262	4.394.402	4.004.402
Letters of guarantee to customers securing contract performance	20.339.402	23.670.908	-	-
Mortgages over land & buildings	83.708.000	425.200.000	-	-
Guarantees to banks on behalf of subsidiaries	55.253.900	180.340.000	54.503.900	180.340.000
Other	81.415.775	112.090.722	81.415.775	112.090.722
	254.376.098	**760.079.893**	**140.314.077**	**296.435.124**

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.

Part of the borrowings € 76.5m that have been given to subsidiaries and associates have been granted from the parent company.

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

- The Company has been tax audited until the year 2005. The tax audit has been completed for LAMDA Estate Develoment for the years 2004 to 2006 and additional taxes occurred in the amount of € 1.3m. LAMDA Prime Properties has been tax audited until 2004. The rest of the Group's subsidiaries have not been audited for tax purposes since 2003. Consequently, the Group tax obligations have not been defined permanently.
- At the subsidiary company LAMDA Olympia Village (ex DIMEPA) a property transfer tax of € 9,8m approximately has been imposed. The Company has appealed to the administrative courts, paying during 2005 € 836k and € 146k approximately during 2006 and € 27k during 2007 (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.

- There are disagreements between Company's subsidiary "PYLAIA S.A." and the constructing company "MHXANIKH S.A.", concerning the evaluation of constructing company's works at the trading center of "PYLAIA", the imposition of penalties due to "MHXANIKH S.A." partial and final delay of the undertaken project's completion, and the compensation that "PYLAIA S.A." is entitled to receive because of working imperfection / deficiency for "MHXANIKH S.A.". Lawsuit and agreements about the height of claims have been made. "PYLAIA S.A." legal consultants estimate that their claims are far greater than "MHXANIKH S.A." ones.
- At the subsidiary LAMDA TechnolFlisvos 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 October 2008. 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.
- Five (5) petitions of annulment have been filled and are pending before the State Council for the subsidiary company LAMDA Olympia Village S.A., in relation to the plot of land where the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial Centre "The Mall Athens" were built. More specifically: Two of these petitions were heard on 03.05.2006 and the decision no 391/2008 of the Fifth Department of the State Council was issued, which referred the matters to the Plenary Session of the State Council. The hearing for the other three (3) petitions has been scheduled for the 07.10.2008. In accordance with the Company's legal consultants, should the State Council uphold its jurisprudence to date, the aforesaid petitions are not expected to be successful.
- In the subsidiary company LAMDA Domi S.A. the following are pending: a) a petition for an annulment before the Plenary Session of the State Council. It is scheduled for hearing on the 9.05.2008 and it is noted that according to the legal counsels who represent the company in this case, if the State Council upholds its jurisprudence on the admissibility for hearing of a petition for annulment, the petition is not likely to be successful. b) a petition for annulment before the Administrative Court of Appeals of Athens for which no hearing has been scheduled yet. It is noted that for this petition, a petition for suspension has been filed which entails a request for the issuance of a temporary interruption which has been rejected, according to the judge of the Administrative Court of Appeals.

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

30. Related party transactions

In Group's related parties, apart from the ones related to it, Group EFG Eurobank Ergasias is included.

The following transactions were carried out with related parties.

Amounts in Euro	GROUP 01.01.2007 to31.12.2007	GROUP 01.01.2006 to31.12.2006	COMPANY 01.01.2007 to31.12.2007	COMPANY 01.01.2006 to31.12.2006
i) Sales of goods and services				
- sales of services	2.894.250	2.303.186	1.755.202	2.842.701
- sales of fixed assets / inventories	20.281.956	-	3.850.607	-
- sales of subsidiaries to related parties	-	10.950.000	-	10.950.000
	23.176.206	**13.253.186**	**5.605.809**	**13.792.701**
ii) Purchases of goods and services				
- purchases of services	6.309.869	5.286.066	451.590	285.181
- purchases of goods	-	-	37.378	-
	6.309.869	**5.286.066**	**488.969**	**285.181**
iii) Dividend income	**1.861.874**	**-**	**1.978.309**	**-**
iv) Benefits to management				
- salaries and other short-term employment benefits	1.144.214	629.250	1.144.214	629.250
- sales of services to management	29.723	43.617	-	-
	1.173.937	**672.866**	**1.144.214**	**629.250**

The figure referred as “sales of fixed assets” for the Company represents mainly the disposal of a Company’s property to the subsidiary LAMDA Hellix SA. The price of this disposal represents the fair value of the property at the disposal date and therefore there are no gains or losses from assets disposal for the parent company.

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

Amounts in Euro	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
Receivables from related parties:				
- parent	107.100	-	-	-
- associates	353.999	462.556	4.336.099	3.616.020
	461.099	**462.556**	**4.336.099**	**3.616.020**
Payables to related parties:				
- parent	35.194	33.788	-	
- associates	2.302.473	3.954.051	71.342	109.970
	2.337.668	**3.987.839**	**71.342**	**109.970**
vi) Loans to associates:				
Balance at the beginning of the period	7.288.263	192.700	17.410.766	618.745
Change in subsidiary consolidation method	-	11.889.844	-	-
Sale of subsidiaries to associates	-	411.445	-	-
Loans given during the period	439.633	750.000	77.581.253	50.511.440
Loans repaid during the period	(5.467.111)	(6.091.200)	(10.670.265)	(34.250.000)
Loans impairment	-	-	(13.373.457)	-
Interest repaid	(267.550)	-	(353.461)	(403.571)
Interest charged	171.637	135.474	536.875	934.152
Balance at the end of the period	**2.164.872**	**7.288.263**	**71.131.711**	**17.410.766**

vii) Loans from associates:				
Balance at the beginning of the period	39.392.000	123.047.912	-	18.320.689
Change in subsidiary consolidation method	-	(52.790.400)	-	-
Loans received during the period	33.250.000	88.854.000	33.000.000	47.000.000
Loans repaid during the period	(39.392.000)	(119.719.512)	-	(65.320.689)
Interest paid	(469.218)	(2.922.979)	-	(2.411.841)
Interest charged	1.393.262	2.922.979	284.031	2.411.841
Balance at the end of the period	**34.174.043**	**39.392.000**	**33.284.031**	**-**
viii) Cash at bank - related parties	**17.176.343**	**16.499.592**	**3.320.530**	**382.742**

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

31. 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 (note 16).

Continuing operations *(Amounts in Euro)*	**GROUP**		**COMPANY**	
	1.1.2007 to 31.12.2007	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Profit / (loss) attributable to equity holders of the Company	**59.619.925**	**92.651.466**	**(2.628.752)**	**78.781.402**
Weighted average number of ordinary shares in issue	44.004.948	44.024.665	44.004.948	44.024.665
Basic earnings / (losses) per share (€ per share)	**1,35**	**2,10**	**-0,06**	**1,79**

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. Finally, no adjustment is made in the earnings (nominator).

Continuing operations *(Amounts in Euro)*	**GROUP**		**COMPANY**	
	1.1.2007 to 31.12.2007	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Profit used to determine dilluted earnings per share	**59.619.925**	**92.651.466**	**(2.628.752)**	**78.791.402**
Weighted average number of ordinary shares in issue	44.004.948	44.024.665	44.004.948	44.024.665
Adjustment for share options:				
Employees share option scheme	65.239	-	65.239	-
Weighted average number of ordinary shares for dilluted earnings per share	**44.070.187**	**44.024.665**	**44.070.187**	**44.024.665**
Diluted earnings per share (€ per share)	**1,35**	**2,10**	**-0,06**	**1,79**

Basic and diluted earnings per share for discontinued operations are as follows:

Discontinued operations *(Amounts in Euro)*	**GROUP**		**COMPANY**	
	1.1.2007 to 31.12.2007	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Profit / (loss) attributable to equity holders of the Company	-	**463.245**	-	-
Weighted average number of ordinary shares in issue	-	2.593.363	-	-
Basic and diluted earnings per share (€ per share)	**0,00**	**0,18**	**0,00**	**0,00**

32. Dividends per share

On 24 May 2007 , the General Meeting of the Shareholders decide to distribute the total amount of € 10.121.822 as dividend for the fiscal year 2006, namely € 0,23 per share. The starting date for the distribution was the 7th of June 2007.

For the forthcoming General Meeting of the Company's Shareholders no dividend is expected to be proposed for the fiscal year 2007.

33. Events after the balance sheet date

During the first quarter of 2008 new bond loans were approved , total amount of €50m. and € 106.6m. for the Company and the Group respectively.

No event has arisen after the balance sheet date that would have significant influence on these consolidated financial statements.

34. Discontinued operations

On 4/9/2006 the Company transferred the total amount of shares that owned in LAMDA Shipyards and Marine Services S.A. and as a result is no longer consolidated. In addition, on 14/4/2006 the aforementioned subsidiary had transferred subsidiary ARGONAFTIS M.S.A. total amount of shares. Consequently, the Group does no longer activate in shipyards services.

The results of discontinued operations were as follows:

	GROUP		**COMPANY**	
Discontinued operations *(Amounts in Euro)*	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**	**1.1.2007 to 31.12.2007**	**1.1.2006 to 31.12.2006**
Sales		**8.828.567**	-	-
Expenses		(8.752.202)	-	-
Profit before tax from discontinued operations	**-**	**76.365**	**-**	**-**
Income tax expense		386.881	-	-
Net profit from discontinued operations	**-**	**463.246**	**-**	**-**
Profit from participations sale		2.187.624	-	-
Net profit from discontinued operations	**-**	**2.650.869**	**-**	**-**

The cash flow of discontinued operations were as follows:

	1.1.2007 to 31.12.2007	1.1.2006 to 31.12.2006
Cash flows from operating activities		(2.646.747)
Cash flows from investing activities		5.159.492
Cash flows from financing activities		(2.981.051)
Total cash flows	**-**	**(468.306)**
Profit from sale, net of tax	**-**	**2.187.624**

35. Reclassifications of comparatives

The elements of income statement of the previous year have been reclassified in order for the results to be comparative with the current period and with a view to providing investors with additional information, supplementary analysis in income statement is provided. The reclassifications had no effect on profits attributable to the shareholders or minorities.

Income statement

Continuing operations (*Amounts in Euro*)	Note	GROUP Difference	GROUP 1.1.2006 to 31.12.2006 Published	GROUP 1.1.2006 to 31.12.2006 Reclassed	COMPNAY Difference	COMPNAY 1.1.2006 to 31.12.2006 Published	COMPNAY 1.1.2006 to 31.12.2006 Reclassed
Revenue	a	(10.733.931)	108.158.166	97.424.235	-	3.007.953	3.007.953
Cost of Sales	b	74.553.525	(74.553.525)	-	5.916.858	(5.916.858)	-
Dividends	c	1.620.333	-	1.620.333	1.620.333	-	1.620.333
Administrative expenses	b	13.263.310	(13.263.310)	-	7.202.691	(7.202.691)	-
Reversal of provision for impairment		-	-	-	-	38.693.042	38.693.042
Fair value gains of investment property		-	82.183.042	82.183.042	-	45.000	45.000
Cost of inventory sales	b	(36.599.035)	-	(36.599.035)	-	-	-
Other direct investment property expenses	a,b	(9.144.372)	-	(9.144.372)	-	-	-
Employee benefit expense	b	(6.963.757)	-	(6.963.757)	(5.654.781)	-	(5.654.781)
Depreciation of property, plant, equipment and intangible assets	b	(2.289.392)	-	(2.289.392)	(648.272)	-	(648.272)
Operating lease payments	b	(6.972.544)	-	(6.972.544)	(519.594)	-	(519.594)
Contracting cost	b	(1.521.095)	-	(1.521.095)	(145.205)	-	(145.205)
Profit from participations sale in associates		-	37.984.028	37.984.028	-	66.929.471	66.929.471
Other operating income / (expenses) - net	b	(13.592.711)	(2.470.320)	(16.063.031)	(6.151.698)	(5.548.418)	(11.700.116)
Operating profit		**1.620.333**	**138.038.080**	**139.658.412**	**1.620.333**	**90.007.498**	**91.627.831**
Finance costs - net	a	-	(17.919.911)	(17.919.911)	-	(3.687.463)	(3.687.463)
Share of profit of associates	c	(1.620.333)	2.262.584	642.251	(1.620.333)	1.620.333	-
Profit before income tax		**-**	**122.380.753**	**122.380.753**	**-**	**87.940.368**	**87.940.368**
Income tax expense		-	(29.729.287)	(29.729.287)	-	(9.158.965)	(9.158.965)
Profit for the year from continuing operations		**-**	**92.651.466**	**92.651.466**	**-**	**78.781.402**	**78.781.402**
Discontinued operations (*Amounts in Euro*)							
Profit for the period from discontinued operations		-	2.650.869	2.650.869	-	1.048.419	1.048.419
Profit for the year		**-**	**95.302.335**	**95.302.335**	**-**	**79.829.821**	**79.829.821**
Attributable to:							
Equity holders of the Company		-	94.534.422	94.534.423	-	79.829.821	79.829.821
Minority interest		-	767.913	767.913	-	-	-
		-	**95.302.335**	**95.302.335**	**-**	**79.829.821**	**79.829.821**
Earnings per share from continuing operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)							
Basic		0,00	2,10	2,10	0,00	1,79	1,79
Diluted		0,00	2,10	2,10	0,00	1,79	1,79
Earnings per share from discontinued operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)							
Basic		0,00	0,18	0,18	0,00	0,00	0,00
Diluted		0,00	0,18	0,18	0,00	0,00	0,00

The reclassifications are as follows:

a) Transfer of € 10.733.931 from Sales to Other direct investment property expenses in consolidated financial information.

b) Transfer of € 74.553.525 and € 5.916.858 from Cost of sales to other operating profit figures in consolidated and company financial information respectively as follows:

	GROUP	COMPNAY
Cost of property sales	36.599.035	-
Other direct investment property expenses	18.956.631	-
Employee benefit expense	4.464.428	2.937.691
Depreciation of property, plant, equipment and intangible assets	324.649	-
Operating lease payments	6.063.996	322.148
Cost of inventory sales	1.465.837	90.027
Professional fees	3.111.141	2.368.181
Marketing Expenses	1.291.873	-
Common charges	1.331.716	175.098
Other operating income / (expenses) - net	944.219	23.713
Cost of property sales	**74.553.525**	**5.916.858**

c) Transfer of € 13.263.310 and € 7.202.691 from Operating Expenses to other operating profit figures in consolidated and company financial information respectively as follows:

	GROUP	COMPNAY
Other direct investment property expenses	1.108.035	-
Employee benefit expense	2.499.329	2.259.202
Depreciation of property, plant, equipment and intangible assets	1.964.743	648.272
Operating lease payments	503.461	197.446
Cost of inventory sales	55.258	55.178
Professional fees	2.527.166	1.456.674
Marketing Expenses	595.372	309.947
Common charges	856.341	213.601
Donation expenses	38.214	7.466
Other operating income / (expenses) - net	3.115.391	2.054.906
Administrative expenses	**13.263.310**	**7.202.691**

d) Transfer of € 1.620.333 from the Share of (loss) / profit of associates to Dividends in Group and Company results.

Report of the Board of Directors – Group and Company

«LAMDA DEVELOPMENT– Holding and Real Estate Development Company»

Co Reg. No 3039/06/B/86/28

Athens, the 21st March, 2008

Dear Shareholders,

2007 was one more particularly successful year for LAMDA Development.

The Company has established its position as leader in the field of development and property management of large Shopping and Leisure Centers through its extremely successful operation of «The Mall Athens» in Marousi and «Mediterranean Cosmos» in Pylea Thessaloniki. The innovative and dynamic presence of the Company in the field of development and property management of large Shopping and Leisure Centers was strengthened further with the beginning of working in the construction of "Golden Hall" previous IBC in Marousi. The operations are programmed to begin in the autumn of 2008 while there are signed agreements of trading cooperation with the tenants for the 94.6% of the leasable area already.

At the same time the Management in the scope of activities development out of Hellenic borders, proceeded to a course of action that improve the Company's investment portfolio and reinforce its position in Balkans.

The major development and strategic goals are the following:

PROJECTS' NAMES & LOCATIONS	PROJECT TYPE	PLOT SIZE (in sq.m.)	LAND ACQ/TION PRICE (€ mio)	DEVELOPMENT SITE (in sq.m.)	TOTAL PROJECT BUDGET (€ mio)	EXPECTED ROI %	L.D. SHARE %
GREECE							
"The Golden Hall", Maroussi Athens	Shopping Center	46 Year Concession		40.000	79 €	80%	100%
Aegina island	Second Home Residential	116.000	13,5	23.000	50 €	40%	100%
BULGARIA							
V. Levski Blvd./ Sofia	Mixed use	6.300	13,0	30.000	40 €	30%	100%
Ring Road project/ Sofia	Mixed use	13.500	6,0	19.000	25 €	30%	50%
Dragalevtsi/ Sofia	Residential	15.405	4,2	10.300	14 €	30%	100%
ROMANIA							
Pitesti/ Bucharest	Logistics	102.000	3,0	59.000	27 €	30%	90%
Grivita Lake /Bucharest	Residential	10.000	4,7	15.000	18 €	30%	100%
Ploiesti Blvd. / Bucharest	Office building	1.023	0,5	6.500	6,6 €	50%	40%
North part / Bucharest	Residential	11.500	10,0	30.000	40 €	30%	100%
SERBIA & MONTENEGRO							
Kalemegdan/ Old City of Belgrade	Mixed use	43.000	56,0	150.000	190 €	30%	100%

Vracar-Juzni Blbd/ Belgrade	**Residential**	**3.000**	**2,9**	**11.000**	**13 €**	**30%**	**100%**
Sveti Stefan/ Budva	**Resort Residential**	**10.500**	**4,0**	**11.000**	**16 €**	**30%**	**100%**

The amount of the commitments in investments of the Group amount to € 500 m.

The major development and strategic goals are the following:

- Further improvement of the performance of its shopping centers and office buildings (Cecil, Kronos in Maroussi)
- Completion of all the developments, which are now at the stage of permits
- Participation in the bids of the Greek State for the concession of tourist developments, exhibition centers, logistics and retail developments.
- Interest to participate in private agreements in Greece for the development and management of outlet centers, big boxes, etc. as well as tourist developments.
- Further exploit the network of companies in Romania, Bulgaria and Serbia in order to enter into new agreements for residential, office and retail developments.
- Further exploit international strategic alliances with ECE, HSBC, SONAE SIERRA, as well as with local players.

Following the above, the Company is currently considering a variety of developments aiming to invest approximately € 200 million until the end of 2008, in order to achieve a total return on investment of 30% and total return on equity 85%.

Further to the above mentioned all perspectives for 2008 appear to be positive.

According to IFRS the basic Group’s and Company’s figures for the financial year 2007 are the following:

Small decrease by 10.81% in consolidated turnover of LAMDA Development, which reached € 86.9 m. compared to € 97.4 m. in the same period of previous year 2006. This decrease is basically due to the change in consolidation method of subsidiary LAMDA Olympia Village S.A. since there was share transfer for the 49.24% during 2006.

The consolidated net profits reached € 59.620 thousand compared to € 94.534 thousand in 2006. Taking into consideration the fact that in 2006 shopping centers created higher surplus from revaluation measurements and the transfer of 49.24% of LAMDA Olympia Village S.A. shares, the main reason for the maintenance of Group’s high profitable route is the successful operations of the two shopping centers. The total equity, that corresponds to the Company’s shareholders, after minority interests, reached € 397.2 million compared to € 365.6 million in the previous year, showing an increase of 8.6%. EFG EUROBANK PROPERTIES share price decline had an unfavorable effect on Group’s total equity.

The parent company **LAMDA Development S.A**. posted loss of € 2.6 million, which are mainly an outcome of the financing the investment developments in foreign countries.

LAMDA Olympia Village S.A. – developer of «The Mall Athens» and the residential complex «ILIDA» - profits before tax reached € 105.4 million. The revaluation surplus incurred from the investment properties appraisal to fair market value by independent appraisers and reached € 89.9 million. This fair value is related to the international tendency of yield improvement in real estate sector in accordance with the successful commercial use of the center.

PYLEA S.A. realized profits before tax of € 24.1 million, mainly due to the evaluation of the shopping center «Mediterranean Cosmos» in Pylea Thessaloniki in the amount of € 18.6 million, as well as to its successful operation.

LAMDA TechnOl Flisvos Marina S.A. presented profits before tax € 5.3 million, which are attributed to the anticipation of favorable outcome of the official arbitration process regarding the lease payments that allowed the income record of € 8.6 million, as well as the contribution of the income from land development. Also, note that there has been a significant improvement in marine services.

Summary consolidated financial information:

Amounts in € million	**Financial Year 2007**	**Financial Year 2006**	**Variance**
Turnover	86.892	97.424	-10.81%
E.B.I.T.D.A before evaluation	42.825	60.768	-29.53%
Fair value gains from property investments	65.596	82.183	-20.19
Profit before tax	93.914	125.032	-24.89%
Profit after tax and minority interest	59.620	94.534	-36.94%
Shareholders Equity	397.172	365.626	8.63%
NAV	454.562	405.201	12.19%

Due to the Company's losses, the dividend distribution for fiscal year of 2007 is not possible

Athens, 21st March 2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS

APOSTOLOS TAMVAKAKIS

ID No P704691

CERTIFICATION

It is certified that the above Report of the Board of Directors, consisting of 3 (three) pages, is the one that refers to the Audit Report which I have issued dated 24th March 2008.

Athens, 24th March 2008

The Certified Auditor Accountant

Konstantinos Michalatos

AM SOEL 17701

Explanatory Report of the Board of Directors of LAMDA Development S.A. (par.7 & 8, article 4, Law 3556/2007)

1. Structure of the Company's share capital

The Company's share capital amounts to euros 13,208,985, divided into 44,029,950 shares, with a nominal value of 0.30 euros each. All shares are listed for trading in the Securities Market of the Athens Exchange (under "Large Capitalization" classification).

The shares of the Company are common registered with a voting right. Each share of the Company embodies all the rights and the obligations that are specified by the Law and the Company's Articles of Association. The liability of the shareholders is limited to the nominal value of the shares they hold.

2. Restrictions on the transfer of shares of the Company

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

3. Significant direct or indirect participations in accordance with the provisions of articles 9 – 11 of L. 3556/2007

On 31.12.2007, the following shareholders held directly or indirectly, more than 5% of the share capital of the Company, in accordance with the provisions of articles 9-11 of L.3556/2007:

Shareholder	Percentage of Share Capital 31.12.2007
Consolidated Lamda Holdings S.A.	55.68%
Bank Efg Eurobank Ergasias S.A.	7.70%

No other physical or legal entity possesses more than 5% of the share capital of the Company, on the above date.

4. Shares providing special control rights

None of the Company's shares carry special control rights.

5. Voting rights restrictions

No restrictions of voting rights are foreseen in the Articles of Association of the Company.

6. Agreements among the shareholders of the Company

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

7. Rules governing the appointment and replacement of the members of the Board of Directors, as well as for amendment of the Article of Association deviating from those provided for in Codified Law 2190/1920

The rules set out in the Articles of Association of the Company on the appointment and replacement of the members of the Board of Directors, as well as for the amendment of the provisions of its Articles of Association not deviate from those provided in the C.L. 2190/1920, prior to its amendment by L.3604/2007.

8. Authority of the Board of Directors or certain of its members regarding the issuance of new shares or the purchase of own shares pursuant to article 16 of Codified Law 2190/1920

A. According to the provisions of article 13, paragraph 1 of the C.L. 2190/1920 and in combination with the provisions of article 6 of the Articles of Association of the Company, within five years since the relative decision of the General Meeting of the Shareholders with which an increase in the share capital is conducted, the Board of Directors has the right by a 2/3 majority decision of its members, to increase the share capital by issuing new shares. The amount of the increase cannot exceed the amount of the share capital that has already been paid in, at the date the relative decision was made by the General Meeting. The abovementioned authority of the Board of Directors may be renewed by the General Meeting of the shareholders for a time period that does not exceed five years for each renewal.

B. According to the provisions of article 13, paragraph 13 of the C.L. 2190/1920, by virtue of a decision of the General Meeting, which is made by increased quorum and majority, according to the provisions of articles 29 paragraph 3 & 4 and 31 paragraph 2 of the C.L. 2190/1920, a stock option plan may be introduced in favour of members of the Board of Directors and personnel of the Company, and of affiliated companies, in the form of the option to purchase shares, according to the specific terms of this decision, a summary of which is subject to the requirements of publication set out in article 7b of C.L. 2190/1920. The decision of the General Meeting especially specifies the maximum number of shares that can be issued, which cannot exceed 10% of the existing shares, the price and the terms of distribution of the shares to the beneficiaries. The Board of Directors decides on any other relevant details not otherwise determined by the General Meeting, issues the stock option certificates and the shares to the beneficiaries who have exercised their option, increasing respectively the capital and certifying the relative increase of it, according to article 11 of the C.L. 2190/1920. Pursuant to the above provisions, the Annual General Meeting of the shareholders, which was held on 23.06.2006, decided the distribution of stock option certificates for the purchase of up to 1,500,000 shares of the Company that is 3.41% of the total share capital within the next five years, to members of the personnel who provided their services on 31.12.2006 in any kind of relationship and form of employment including the members of the Board of Directors. Criterion for the participation in this reward programme is the contribution to the Company's mission as well as to LAMDA Development group of companies' mission, in combination with the position and the operational liability level of each employee. In execution to the abovementioned decision the Board of Directors on its meeting on 07.06.2007 decided the distribution of certificates for the purchase of 138.490 shares to 13 beneficiaries. The exercise price per share amounts to 7.5 euros. The exercise of the options may take place after a period of three years from the end of the fiscal year, which those options concern.

C. Pursuant to the provisions of paragraphs 5 to 13 of article 16 of the C.L. 2190/1920, prior to its amendment by L.3604/2007, companies listed on the Athens Exchange may, by decision of the General Meeting of their shareholders, acquire own shares through the Athens Exchange in an amount of up to 10%

of their total shares. In implementation of the above provisions the Annual General Meeting of the shareholders of the Company, on 23.06.2006 decided on the purchase of own shares through the Athens Exchange from 24.06.2006 until 23.06.2007, up to a percentage of 10% of its total share capital, that is 4,402,995 shares, at a maximum purchase price of 18 euros per share and a minimum purchase price of 2 euros per share and instructed the Board of Directors to implement this decision in cases where it deemed necessary. The Board of Directors of the Company during its meeting on 02.08.2007 materialising the above decision of the General Meeting, decided that the Company may proceed, from 16.8.2007 until 07.05.2008 to the purchase of up to 3% of the total share capital, that is 1.320.899 shares, at a maximum purchase price of 18 euros per share and a minimum purchase price of 2 euros per share. The Company conforms to article 5 of the Committee Regulation 2273/2003 in relation to the price and the volume of the purchases, thus to article 6 par.1 of the same Regulation.

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

10. Every agreement that the Company has concluded with members of its Board of Directors or with its employees, which foresees compensation in case of resignation or dismissal without substantial cause or termination of the term of office or employment due to a public offer

The Company has no agreements with members of the Board of Directors or with its employees, which foresee compensation in case of resignation or dismissal without substantial cause or termination of the term of office or employment as a result of a public offer.

Athens, 21 March 2008

The Chairman of the Board of Directors

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Apostolos S. Tamvakakis

ID Card No: P 704691

Report of the certified auditor – accountant

To the Shareholders of Lamda Development S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Lamda Development S.A. (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (the “Group”) which comprise the company and consolidated balance sheet as of 31 December 2007 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

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 conform with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2007, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

The Board of Directors' Report contains all information required by articles 43a paragraph 3, 16 paragraph 9 and 107 paragraph 3 of Law 2190/1920 and article 11a of Law 3371/2005, and is consistent with the financial statements referred to in the preceding paragraph.

Athens, 24 March 2008

Certified Public Accountant

PriceWatehouseCoopers SA

268 Kifissias Avenue

15232 Athens

Dinos Michalatos

Reg. No 17701

PRICEWATERHOUSECOOPERS