ΕΤΑΙΡΕΙΑ ΕΛΛΗΝΙΚΩΝ ΞΕΝΟΔΟΧΕΙΩΝ
ΛΑΜΨΑ Α.Ε.

GROUP "LAMPSA SA"
HOTEL GRAND BRETAGNE

INTERMEDIATE FINANCIAL STATEMENTS
For the period from
January 1, to September 30, 2007

It is certified that the attached Intermediate financial statements for the period 01/01-30/09/2007 are the ones approved by the members of the Board of the Directors of the company "Lampsa Hellenic hotels SA" at the 27/11/2007 and that they are published through the Internet to the web-site www.grandebretagne.gr.The published to the press financial statements provide to the reader some general financial information but they do not present the complete financial position of the company and the group and its results according to the International Financial Reporting Standards.

MAURICE MODIANO
President of the Board of the Directors

LAMPSA HELLENIC HOTELS SA

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1. Balance Sheet 30th September 2007

BALANCE SHEET				
(Amounts in 000's euro)	THE GROUP		COMPANY	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Non current Assets				
Tangible assets	131.886	134.018	84.779	86.087
Intangible fixed assets	219	525	24	25
Goodwill	3.483	3.483		0
Subsidiaries		0	36.101	11.100
Other long-term claims	58	58	53	53
Deferred Tax assets	849	1.317	826	1.304
	136.495	**139.401**	**121.782**	**98.569**
Current Assets				
Inventory	1.071	1.018	437	433
Trade and receivables	4.368	3.168	3.562	2.695
Other receivables	2.039	950	792	701
Other current assets	465	284	395	212
Cash and cash equivalent	9.184	10.026	4.998	7.238
	17.128	**15.446**	**10.185**	**11.279**
TOTAL ASSETS	**153.623**	**154.847**	**131.967**	**109.848**
EQUITY AND LIABILITIES				
Capital and reserves	23.928	23.928	23.928	23.928
Share capital	38.641	38.641	38.641	38.641
Changes in fair value of tangibles and intagible assets	(15.659)	0	0	0
Translation reserves	147	147	0	0
Statutory Reserve	508	304	505	302
Other reserves	19.554	2.161	3.895	2.161
Dividends payable	0	1.695	0	1.709
Results carried forward	8.954	4.172	6.046	3.225
	76.074	**71.048**	**73.016**	**69.965**
Total equity atributed to the shareholders of the Company	10.771	8.330	0	0
Minority rights				
TOTAL EQUITY	**86.845**	**79.378**	**73.016**	**69.965**
LIABILITIES				
Long-term liabilities				
Bond loans	43.059	27.300	43.059	27.300
Retirement benefit obligation & other long term obligations	935	759	926	754
Deferred tax obligation	2.920	1.968	2.317	1.825
Other long term obligations	2.062	29.691	0	0
Other provisions	520	109	520	109
Total long-term liabilities	**49.495**	**59.827**	**46.822**	**29.987**
Short-term liabilities				
Bank loan	0	0	0	0
Short-term debenture and bank loan	7.289	3.703	7.289	3.703
Short-term other long term obligations	2.822	3.739	0	0
Trade and other payables	1.270	1.717	808	1.352
Taxes and social securities	2.907	2.558	1.740	1.592
Other current liabilities	1.916	2.347	1.327	1.669
Advances	1.080	1.579	965	1.579
Total short-term liabilities	**17.284**	**15.642**	**12.129**	**9.895**
Total current liabilities	**66.778**	**75.469**	**58.951**	**39.883**
TOTAL EQUITY AND LIABILITIES	**153.623**	**154.847**	**131.967**	**109.848**

Any differences in the additions are due to rounding.

2. Income Statement

Amounts in 000's euro	GROUP 1/1/-30/9/2007	GROUP 1/7/-30/9/2007	GROUP 1/1/-30/9/2006	GROUP 1/7/-30/9/2006	COMPANY 1/1/-30/9/2007	COMPANY 1/7/-30/9/2007	COMPANY 1/1/-30/9/2006	COMPANY 1/7/-30/9/2006
Revenues	43.153	14.937	31.616	14.100	29.304	10.595	25.619	9.840
Less: cost of goods sold	(23.525)	(7.858)	(17.619)	(7.012)	(17.172)	(5.681)	(15.245)	(5.488)
Net revenue	**19.628**	**7.080**	**13.997**	**7.088**	**12.132**	**4.914**	**10.374**	**4.352**
Other operating income	1.898	1.199	666	349	2.100	1.435	486	189
Selling expenses	(4.413)	(2.135)	(1.880)	(808)	(1.585)	(640)	(1.491)	(583)
Administrative expenses	(4.736)	(1.477)	(4.732)	(2.371)	(4.328)	(1.922)	(3.323)	(1.213)
Other operating expenses	(254)	(79)	(160)	308	(254)	(79)	(180)	(44)
Profit before finance charges & taxes	**12.124**	**4.589**	**7.891**	**4.567**	**8.066**	**3.709**	**5.866**	**2.700**
Depreciation	3.357	1.247	2.219	717	2.217	738	2.134	717
Profit before finance charges, depreciation & taxes	**15.481**	**5.836**	**10.110**	**5.284**	**10.283**	**4.447**	**8.000**	**3.417**
Financial income	2.264	2.155	1.109	1.010	100	43	115	19
Financial expenses	(3.149)	(675)	(1.592)	(362)	(2.962)	(785)	(1.000)	(347)
Financial result	**(886)**	**1.481**	**(483)**	**648**	**(1.862)**	**(742)**	**(885)**	**(329)**
Depreciation	(3.357)	(1.247)	(2.219)	(717)	(2.217)	(738)	(2.134)	(717)
Profit before tax	**11.238**	**6.070**	**7.409**	**5.214**	**6.204**	**2.967**	**4.981**	**2.372**
Tax	(2.063)	(976)	(1.405)	(1.113)	(1.445)	(614)	(1.394)	(1.102)
Profit for the year	**9.176**	**5.094**	**6.004**	**4.101**	**4.760**	**2.353**	**3.587**	**1.270**
Attributable to:								
Company's shareholders	6.735	3.374	4.828	2.723	4.760	2.353	3.587	1.270
Minority shareholders	2.441	1.718	1.716	1.379	-	-	-	-
Profit for the period per share - (in Euro)	0,32	0,16	0,23	0,13	0,22	0,11	0,17	0,06
Recommended dividend per share								

3. Consolidated statement of changes in equity

THE GROUP							
Amounts in 000's euro	buted to the shareholders of the mother company						
	Share capital	Premium capit	Reserves	Retained earnigns	Total	Minority Right	Total
Balance at 1 January 2006 according IFRS	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**	-	**66.418**
Rise/ (decrease) in share capital	427				427		**427**
Dividents paid			-1.068		-1.068		**-1.068**
Change in equity due to acquisition of affiliated company	-	-	-	-72	-72	7.228	**7.156**
Net period result for 1/1-31/12/2006			3.256	2.515	5.771	1.102	**6.873**
Capitalized reserves			-427		-427		**-427**
Equity balance at 31/12/2006	**23.928**	**38.641**	**4.308**	**4.172**	**71.049**	**8.330**	**79.379**

	Attributed to the shareholders of the mother company						
	Share capital	Premium capital	Reserves	Retained earnigns	Total	Minority Rights	Total
Balance at 1 January 2007 according IFRS	**23.928**	**38.641**	**4.308**	**4.172**	**71.049**	**8.330**	**79.379**
Acquisition of share			-1.709		**-1.709**		**-1.709**
Net period result for 1/1-30/09/2007	-	-	1.952	4.782	**6.735**	2.441	**9.176**
Equity balance at 30 September 2007	**23.928**	**38.641**	**4.551**	**8.954**	**76.075**	**10.771**	**86.846**

4. Consolidated statement of changes in equity of the mother company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
	THE COMPANY					
Amounts in 000's euro	Attributed to the shareholders of the mother company					
	Share capital	Premium capital	Reserves	Recommended dividend	Results	Total
Balance at 1 January 2006 according IFRS	**23.500**	**38.641**	**1.478**	**1.068**	**1.729**	**66.416**
Dividents paid				-1.068		**-1.068**
Distribution of result of the year 2006			1.411		-1.411	-
Rise/ (decrease) in share capital	427		-427			-
Net period result for 1/1-30/09/2006	-	-	-	1.709	2.907	4.616
Equity balance at 30/09/2006	**23.928**	**38.641**	**2.462**	**1.709**	**3.225**	**69.965**

	Attributed to the shareholders of the mother company					
	Share capital	Premium capital	Reserves	ecommended divider	Results	Total
Balance at 1 January 2007 according IFRS	**23.928**	**38.641**	**2.462**	**1.709**	**3.225**	**69.965**
Dividents paid				-1.709		-1.709
Distribution of result of the year 2006						-
Net period result for 1/1-30/06/2007	-	-	-		4.760	4.760
Equity balance at 30/9/2007	**23.928**	**38.641**	**2.462**	-	**7.985**	**73.016**

Any differences in the additions are due to rounding.

5. Cash flow statement

1.4 CASH FLOW STATEMENT (Indirect method) (amounts in thousands)				
	THE GROUP		THE COMPANY	
	01/01-30/09/07	01/01-30/09/06	01/01-30/09/07	01/01-30/09/06
Cash flows from operating activities				
Profit before taxes	**14.568**	**17.272**	**6.171**	**9.333**
Plus/Minus Adjustments for:				
Interest and other expenses	(2.872)	(1.588)	(1.835)	(281)
Taxes paid	(564)	(2.200)	(564)	(1.955)
Net cash from operating activities (a)	**11.132**	**13.484**	**3.771**	**7.097**
Investing activities:				
(Acquisition)/Disposition of affiliated companies minus their cash in hand	(24.981)	(10.899)	(24.981)	(11.081)
Acquisition of intagible assets property and equipment	(1.154)	(2.221)	(907)	(2.073)
Share capital increase of affiliated company	0	0	(19)	0
Interest received	164	167	100	115
Net cash used in investing activities (b)	**(25.971)**	**(12.953)**	**(25.807)**	**(13.039)**
Financial activities:				
Proceeds from borrowings	25.154	(3.285)	25.154	0
Payments of borrowings	(9.408)	(4)	(3.633)	0
Dividends paid	(1.749)	(1.035)	(1.726)	(1.035)
Net cash used in financing activities (c)	**13.997**	**(4.324)**	**19.795**	**(1.035)**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**(842)**	**(3.793)**	**(2.241)**	**(6.977)**
Cash and cash equivalents at the beginning of the period	**10.026**	**11.844**	**7.238**	**11.844**
Cash and cash equivalents at the end of the period	**9.184**	**8.051**	**4.997**	**4.867**

6. Additional information and explanations

6.1General information

The LAMPSA HELLENIC HOTELS SA (the ‘group’) is located in Athens, Vas. Georgiou A’ 1 str, and it is registered in the register of the Ministry of development with reg. M.A.E 6015/06/B/86/135. The company’s duration is hundred (100) years starting from the publication to the Government Gazette of the Royal Decree that approved the company’s memorandum of association. The company is functioning from its foundation for eighty-six (86) years.

The principal activity of the company is the acquisition, the construction and the exploitation of hotels in Athens or in other places, in Greece or abroad, as well as relevant companies, as the acquisition or/and the development of spas, of public spectacles, of clubs, etc.

The tenure of the Boards of the Directors elected from the General Assembly of the shareholders at the 22.06.2005 with three years duration and the synthesis is the below:

CHAIRMAN OF THE BOARD (executive member)- Maurice Modiano
VICE PRESIDENT (non executive member)- Apostolos Doxiadis
MANAGING DIRECTOR (executive member)-Nikolaos Dandolos
EXECUTIVE MEMBER - George Galanakis

NON-EXECUTIVE INDEPENDENT MEMBERS

Athanasios Papadopoulos
Thomas Miller
Markos Tsaktanis
Nikolaos Papandreou
Philippos Spiropoulos

The group’s financial statement were approved by the Board of the Directors at the meeting at 29/11/2007 and referred to the Minutes number 898 of the same date.

The company’s shares are in the stock market of Athens from the year 1946.

The total of shares in circulation at the 30 September 2007 is 21.394.000.All the company’s shares are common and registered.

The group and Starwood Hotels and Resorts Worldwide Inc, on December 2001 signed the management and operation contract for the hotel. According to this contract Starwood agreed to provide management and operational services to the hotel “Grand Bretagne”.

According to the contract the Group undertook to restore and to equip on its own expenses the hotel based on certain specifications. Starwood will have the absolute control of the operation of the hotel and will be responsible for the hotel’s operation based on the standards used for all the hotels of the management company around the world, always according to the country’s legislation.

The power of Starwood for the control and the operation of the hotel include its use for all the presumable aims, the room charges, the entertainment and amusement, food and beverage, management of the human resources, surveillance of the bank accounts and the maintenance of company’s cash. Starwood is in charge of the promotional and advertisement campaign and the communicative policy of the hotel and will provide reservation services abroad through their subsidiaries.

Also, Starwood is responsible for the existence and function of the book keeping and archives of the company according the specific accounting standards that will be given for control to the internal auditors of Starwood or their subsidiaries. Licensed employees have the power after notification of the management of the hotel to realize controls of the hotel's places and of the quality of the service provided.

Starwood has the right to realize commissions of goods or services from subsidiaries companies since the invoicing and the terms of commissions are competitive to the ones offered by third parties. Further, it has the right to use the hotel's premises for the education of the employees of other hotels or subsidiaries companies.

At the beginning the length of the management contract, is twenty five (25) years with the right to be extended for other 25 years. This management contract allows a 3% fee on the turnover and 10% fee on the gross trading profit as repayment for the Starwood and the Sheraton international. Both these companies have limited rights for the termination of the management contract without reason.

The Board of the directors is in a constant collaboration with the company that has the management to control the accurate and smooth operation and for the proper operation of the boards of the Directors.

During the fiscal year 2006 the group obtained for the amount of Euros 11.080.535, 48 the 100% of the capital share of the company based in Cyprus "Luella Enterprises Ltd" and through it the 100% of indirect participation of its affiliated "North Haven Ltd" based in Hong Kong, to the last belongs the 51, 0044% of the company "Beogradsko Mesovito Preduzece" based in Serbia handling hotel Hyatt in Belgrade.

During the period audited the Group exercised the intention, through two affiliated companies for the acquisition at the acquisition rate of the stocks of the company Belven Associates holder of loan amounted today $ 33.269.892,57 of the company "Beogradsko Mesovito Prezuzecee A.D." insured with mortgage. On the 2nd April 2007 the purchase of the total of shares of the non-listed company under the name Belven Associated based in Bahamas was done. The above companies are consolidated for the first time.

6.2 Basis of compilation of financial statements

The consolidated financial statements of the company for the nine months of the financial year 2007 were made up according the International Financial Reporting Standards (IFRS) and especially according to the standard 34 for the intermediate financial statements.

The intermediate financial statements do not comprise all the information and notes that are needed for the yearly group financial statements at the 31st December 2006 and must be read in connection with the yearly group financial statements at the 31st December 2006.

The accounting principles and the calculations used for the preparation of the financial statement are according the ones used for the preparation of the yearly financial statements for the year 2006 and consistency applied to all the periods appeared.

6.3 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretation Committee have issued a series of new accounting standards and interpretations, for the accounting periods beginning on January 2007. The Group's assessment regarding the effect of the aforementioned new standards and interpretations is as follows:

- **IAS 1 Presentation of Financial Statements**

Due to the issuance of IFRS 7 some amendments to IAS 1 Presentation of Financial Statements were necessary. Requirements were added to IAS 1 that an entity shall disclose information that enables users of its financial statements to evaluate the goals, policies and management of the Group's capital. The Group will implement the amendment of IAS 1as of 1/1/2007.

- **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 applies to all risks arising from all financial instruments, except those instruments specifically excluded (e.g. interests in subsidiaries, associates and joint ventures, etc.). The objective of the disclosures is to provide an overview of the entity's use of financial instruments and the exposure to risks they create. The IFRS is effective for annual periods beginning on or after 1 January 2007. The extent of the disclosure required depends on the extent of the entity's use of financial instruments and of its exposure to risk. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32 but the presentation requirements of IAS 32 remain unchanged. The Group will apply the IFRS as of 1 January 2007.

- **IFRS 8.Operating Sectors**

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

- **IFRS 23.(amendment) Borrowing Cost**

In the revised standard, the previous benchmark treatment of recognizing borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets from part of the cost of the assets. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

- **IFRIC 11 IFRS 2- Group and Treasury Share Transactions**

IFRIC 11 provides guidance on whether specific share-based payment arrangements should be account-ted for as equity-settled or cash-settled schemes in accordance with IFRS 2. IFRIC11 applies for annual periods beginning on or after 1 January 2007 and it is not going to affect the group.

- **IFRIC 12 Service Concession Agreements**

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.

- **IFRIC 13 Customer Loyalty Programmes**

The international Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 Customer Loyalty Programmes clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received needs to be allocated to the award credits. The timing of the recognition of this element is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. IFRIC 13 needs to be applied for annual periods beginning on or after 1st January 2008.

6.4 Management estimations

Estimations and standards applied from the company for decision making and the influence the preparation of the financial statement, are based on historical facts and assumptions that under the circumstances are considered as logical.

Estimations and standards for decision making are reconsidered through the current progress and any implications are recognized in the time realized in the financial statements.

6.5 Information according to sector

Based on the company's management and sales structure the company decided as major business sectors the hotel services and the food and beverage sector, from which derive the major revenues of the company.

As second business sector the company has considered the geographical sector of E. U and of third countries.

6.6 Consolidation.

Affiliated: Are all the companies that are controlled and audited, direct or indirect, from another company (parent company), due the possession of the majority of the shares of the company that the investment was done or due the dependence or the know-how that the groups provide. Meaning that affiliated are the companies that the control is held by the mother company. Lampsa obtains and has the control due to the voting rights. Any potential voting rights during the time of the preparation of the financial statements are taking into consideration in order to be evidenced if the mother company has control over the affiliated companies. The affiliated companies are fully consolidated with the method of take-over during the date that the control is acquired and stop been consolidated when such control does not exist any more.

The take-over is accounting according the purchase method. The cost of value is the value of the assets given, the stocks issued and the obligations taken during the date of the exchange, plus any related cost with the transaction. The assets, obligations and possible obligations acquired in a business consolidation are valued during the take-over to the fair value of the elements acquired and is posted as surplus value. If the total cost of the take-over is less the possible value of the elements acquired the difference is posted directly to the results. Inter company

Transactions, balances and non realized profits from the inter company transactions are erased. Also, the non realized losses are erased, except if the transaction has signs of decrement, of the transferred asset. The accounting standards of the affiliated are modified as to be the same as the ones adopted by the group.

6.7 Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates (euro).
Transactions realized in foreign currencies, are transferred in euro, with the closing rate of the transaction's day.

In the preparation of the entity's financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, is included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are considered as part of the fair vale and are posted with the differences arising on the retranslation of non-monetary items. These financial statements do not contain non monetary items that are in foreign currency.

6.8 Decrease of the assets value.

Tangible assets that have no defined length of life are not depreciated and they are subject to a yearly test for any possible decrease losses, when facts or changes show that the accounting value is highly possible not be regained. Tangible assets that are depreciated are subject to a test for any possible decrease l losses, when there are facts showing that their accounting value cannot be replaced. The replacement value is the higher amount between the net sale value and the present value.

The loss deriving from the decrease l of the assets value is recognized from the company when their book value is higher that the replacement value.

Net sale value is the amount from the sale of an asset element when both parts have full knowledge and agree, after the deduction of every direct cost of disposal of the asset, when, the value is the present value of the future estimated cash flow deriving from the use of an asset and its disposal at the end of its estimated life.

6.9 Financial instruments

Financial assets and financial liabilities are recognized in the Group's Financial Statements when the terms and conditions agreed between the company and the owner's instrument, are fulfilled in order to ensure that the financial statements reflect the contracts entered into by the Group as a whole.

The basic financial instruments of the company are cash, bank deposits, short- term receivables and obligations, financial elements for sale and some other forms of finance, the long-term loan is included.

Financial assets and financial liabilities that have interest are evaluated to the non-depreciated cost with the method of the effective interest rate.

Any differences in the evaluation of the value of the current assets for sale are carried to the equity.

The company does not use derivatives, neither for commercial reasons nor for other reasons.

6.10 Tangible fixed assets.

Fixed assets are reflected in the financial statements in the acquisition value. The property and the equipment values are presented diminished by the subsequent accumulated depreciation and subsequent accumulated impairment losses. Cost includes all the expenses for the acquisition of the above elements.

The last escalation was for the value of the land. The IFRS 1"first adoption" in the paragraph 17b states that the company that for the first time adopts IFRS, in the transition date to the IFRS, can decide that previous fixed assets escalations that were calculated with other accounting standards (GAAP) are part of the acquisition cost on condition that in the time that the escalation happened the value reflects the change of one or specific rate.

Expenses created for the replacement of significant elements of the assets are capitalized Other future expenses realized for the fixed assets are capitalized only in the case that they raise the future financial benefits that are expected to come from the utilization of these assets. The rest expenses, realized for the fixed assets, are capitalized only if they add value to the future benefits coming for the use of the above assets. All the rest maintenance, amendment etc. expenses are registered as expenses in the date of their realization.

Depreciation is provided on the cost in equal annual installments over the estimated remaining useful life of the assets, except for land and assets under construction. Under the straight-line method, the depreciation charge to the income statement is the same for the useful life of the asset, except if this changes.

The following depreciation rates are used:

Buildings-fixtures 3%

Machinery and mechanical equipment 15%

Transportation equipment 15%

Furniture and fittings 15%

Office machines and telecommunication equipment 20%

Printers/hardware 24%

Land is not depreciated. The leased assets are depreciated according to the company's depreciation policy or the duration of the leasing contract if it is smaller than the life of the asset.
The gain or loss on the disposal or retirement of an item of property is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the income statement.

6.11 Other intangible assets.

In this category are the software programs presented in the acquisition cost minus depreciations and if, there are special reasons, minus the amount of decrement.

Depreciations are calculated based on the duration of the useful value of the asset and with the method of fixed percentage of depreciation that the company has defined in 5 years depreciating the software programs with 20%.

The depreciation for the incorporeal assets and the expenses for the maintenance of the software programs are calculated to the year of the financial results created.

6.12 Taxation and deferred tax.

Income tax expenses represent the sum of tax currently payable and deferred tax. The income tax is presented in the final results. The tax that has to do with transactions related to the capital is posted directly to the capital.

The current payable taxes are presented to the short-term obligations that have to do with tax payable for the fiscal income of the year plus any other taxes related on previous years.

The current income taxes are calculated according the current factors at the submission of the balance sheet. All changes in the short-term assets or the obligations are recognized as part of the financial expenses to the income statement of the year.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

6.13 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of the inventory is calculated, always, with the FIFO method and comprises the acquirement cost of the inventory and the transportation expenses. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling (marketing, selling and distribution costs). The company posts to yearly results all expenses realized during the year for the purchase of operating supplies.

6.14 Trade receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently decreased with the amounts that it is highly possible not to be received. At the preparation of the Financial Statements, provisions are calculated for the amount that is possible not to be collected. Provision is adjusted, influencing the results of each year.

6.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cheques and sight and time deposits.

6.16 Retirement benefit cost

Short-term benefits: Short-term benefits to the employees (apart the benefits due to work termination) in money or in items are considered as assets. Any non- paid amount is presented as obligation. In case that the paid amount is above the amount of the benefit, the company considers the exceeding amount as an asset (pre-paid expense) only to extend that the pre-payment will lead to a decrease of future payments or to a return.

Benefits after the retirement: The benefits after the retirement comprise pensions or other benefits (life insurance and medical insurance) that the company provides after the retirement as return for the work of the employees. So, they comprise programs of defined contributions and programs of defined benefits. The accrued cost of the programs defined contributions is posted as an expense to the related period.

- **Program for defined contributions**

Based on the program for defined contributions, the company's obligation is defined on the amount agreed to contribute to the organization that manages the contributions and gives the benefits. So, the amount that the employee receives is defined from the amount that the company (or and the employee) gives and from the investment of these contributions.

The company's paid contribution to a program for defined contributions is recognized as an obligation after the deduction of the paid contribution or as an expense.

- **Program for defined benefits.**

The obligation posted to the balance sheet for the programs for defined benefits presents the present value of the obligation for the defined obligation minus the rational value of the asset of the program (if existing) and the variances from any actuarial profit or loss and the cost of the longevity. This calculation is made every year by an independent actuarial with the use of the projected unit credit method. The interest of the long-term bond of the Greek state is used for the prepayment.

The actuarial gains or losses are elements of the obligation of the service of the company and of the expense calculated in the results. The results arise from the adjustments based on the historic facts and are above or under the 10% margin of the accumulated obligation are posted in the results in the expected time of the participants in the program. The retirement benefit cost is recognizable in the results with the exception that the changes of the program are depending of the remaining time of work of the employees. In that case the retirement benefit cost is posted in the results with the fixed method in the maturity period.

Benefits for the work termination: The benefits due to the work termination are given when the employees leave before the retirement date. When the company is committed posts these benefits or when the employment of certain employees is terminated according to a detailed plan for which there is no option of retirement or when these benefits give motivation for optional retirement. When these benefits are payable in a period of time after the twelve months of the balances sheet date, then they must be granted according the attribution of the high quality of the company's bond or of the government's bond.
In case of an offer encouraging the optional retirement the estimation of the benefits during the retirement must be based on the number of the employees excepted to receive this offer.
In case of termination that it is difficult to define the number of the employees that are going to use these benefits only announcement is done for this possible obligation.

6.17 Provisions

Provisions are recognized when the Group has a present obligation as result of a past even, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Management's best estimation of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Contingent assets and liabilities are not recorded in the Financial Statements, but are disclosed in the notes accompanying the Financial Statements. Every year-end the amount of the provisions is revaluated.
Provisions for future losses are not deducted. Future events that are going to influence the amount required for the settlement of an obligation, are taken into consideration when there is evidence that there are going to happen.

6.18 Revenues

The revenues are the sales of goods and services net from taxes, discounts and returns.

Revenues derive from:

Sales of goods

The company sells goods to the clients and the collection of the claim is assured.

Sales of services

The revenues from services are calculated based on the services provided until the day of the balance sheet.

Revenues of dividends

Revenues of dividends will be recognized when the right for payment is realized.

6.19 Expenses

Leasing.
Leases are classified as operating leases.

Financial cost.

The cost of finance derives from the interests over the loans that are calculated with the method of the real interest and are recognized in the yearly results except of the interest of the loans for the constructive period that are posted to the accounts of the related fixed assets.

6.20 Earnings/ (Losses) per share.

The earning per share is calculated by dividing the net profit/losses, after taxes, with the average share per year.

6.21 Long-term claims/obligations.

Long-term claims/obligations are presented in the net present value. Any differences in prepayment are presented as financial revenues/expenses in the results of each year resulted.

6.22 Borrowing costs

Borrowing costs directly attributable to long-term loans reform the amount of these loans and are posted to the results based on the method of real interest at the loan contract.

6.23 Bank loans

Interest-bearing bank loans and overdrafts are recorded in the period received and are initially measured at fair value. They are subsequently measured at amortized cost, using the effective interest rate method.

6.24 Set-off of claims-obligations

The set-off of assets with obligations and the presentation of the net amount to the financial statements it is realized only if there is legal right for set-off and it exists will for settlement of the net value deriving from the settlement.

6.25 Risk management.

Exchange risks.

The company acts in the local market and almost all the invoicing is done in euro.
The imports from third counties are limited in comparison with the total imports and the buy and selling of foreign currency is done only for the customers needs and not for big amounts.

Credit risks.

The company has a specific credit policy. The credit policy is follow up constantly so as the credit given not to exceed the credit and time limit for each client. The company has big number of clients so the credit risk is spread.

Risks from variation in interest .

The interest claim and obligations are in the Euribor interest. The company does not use financial derivatives.

Liquidity Risk.

Liquidity Risk is in low standards due to enough cash kept.

6.26 Share capital

Expenses realized for the new shares are presented after the deduction of the relevant income, to a decrease of the product. The expenses related to the publication of shares for the acquisition of companies are comprised to the acquisition cost of the company.

The cost for the acquisition of shares and any related expenses are presented deducted by the capital resources.

6.27 Dividend distribution.

The Dividend distribution to the shareholders is recognized as company's obligation to the financial statement and the distribution is approved by the General Assembly of the shareholders.

7. Notes on the financial statements

7.1 Group structure and consolidation method

The companies participating in the group are:

COMPANY NAME	HEADQUARTERS	EQUIVALENT % OF PARTICIPATION	CONSOLIDATION METHOD	PARTICIPATION
HELLENIC HOTEL COMPANY LAMPSA SA	GREECE	MOTHER		
GRANDE BRETAGNE LTD	GREECE	98,83%	TOTAL	DIRECT
LUELLA ENTERPRISES LTD	CYPRUS	100%	TOTAL	DIRECT
NORTH HAVEN LTD	HONG KONG	100%	TOTAL	INDIRECT
BEOGRADSKO MESOVITO PREDUZECE	SERVIA	51%	TOTAL	INDIRECT
HARVARD INVESTMENTS CORPORATION	LIBERIA	100%	TOTAL	DIRECT
WORLD SPIRTI SA	PANAMAS	100%	TOTAL	DIRECT
BELVEN ASSOCIATES	BAHAMAS	100%	TOTAL	INDIRECT

During the examined period:

The Group raised a bond loan in U.S.A dollars with EFG EUROBANK ERGASIAS SA. The total amount of the bond loan is U.S.A dollars 33.500.064, 00 and it is dividend in two hundred and four bearer bonds. Each Bond has name value 164.216,00 U.S.A dollars and the last one is on the 20/05/20024. Interest is consisted of a fixed part (spread) equal with 0, 90% yearly and a floating part equal with LIBOR. For the security of the bondholders claims a b' class mortgage has been recorded on the real estate of the mother company for the amount of 43.551.000 00 $ U.S.A.

The B.O.D. decided to exercise the right of intention, through two affiliated companies for the acquisition at the acquisition price of the shares of the company Belven Associates eligible of loan $

33.269.892,57 at the acquisition day given to the company “Beogradsko Mesovito Preduzecee A.D.” insured with mortgage on the hotel building. At the 2nd April 2007 the purchase of the total of shares of the non listed company named Belven Associated, based in Bahamas was completed, through the companies Harvard Investmens Corporation (Liberia) and World Spirit Limited S.A (Panamas). The amount paid for the take-over was 33,2 millions $ U.S.A or equivalent in euros 24,9 millions. The company used part of the bond loan for the take-over.

From the take-over no goodwill resulted as the fair value of the fixed assets and obligations of the companies bought off was equal to the price given.

According IFRS in twelve months time from the day of the purchase the company that has done the purchase can escalate the surplus value.

7.2 Sales according sector.

Major information sector- business sector

At 30 September 2007 the group is divided in two major business sectors:

(1) Hotel services

(2) Sales of food and beverage

Sales according to Group sector at 30 September 2007:

Group 2007

Description	Room revenues	Sales of food and beverage	Other	Non allocated	Total
Revenues	25.616,15	14.740,30	2.829,81	-	43.186,25
Expenses	4.448,67	10.361,27	1.183,19	7.542,77	23.535,90
Gross result	21.167,48	4.379,03	1.646,61	(7.542,77)	19.650,35

Sales according to Group sector at 30 September 2006:

Group 2006

Description	Room revenues	Sales of food and beverage	Other	Non allocated	Total
Revenues	16.882,75	11.082,03	1.339,34	-	29.304,11
Expenses	3.511,24	8.068,80	486,68	5.105,04	17.171,76
Gross result	13.371,51	3.013,23	852,66	(5.105,04)	12.132,35

Second information sector- geographic sector

The headquarters of the Group is Greece. Greece and third countries are the fields of activity.

Group sales according to geographic sector for the nine months:

	1/1-30/9/2007	1/1-30/9/2006
Greece	29.304,11	25.618,68
Non E.U	13.848,65	5.997,42
TOTAL	**43.152,76**	**31.616,10**

Company sales according to geographic sector for the nine months:

	1/1-30/9/2007	1/1-30/9/2006
Greece	29.304,11	25.618,68
Non E.U	-	-
TOTAL	**29.304,11**	**25.618,68**

Group assets according to geographic sector for the nine months:

	1/1-30/9/2007	1/1-30/9/2006
Greece	131.967,34	109.848,46
Non E.U	21.655,36	44.998,76
TOTAL	**153.622,70**	**154.847,22**

Company assets according to geographic sector for the nine months:

	1/1-30/9/2007	1/1-30/9/2006
Greece	131.967,34	109.848,46
Non E.U	-	-
TOTAL	**131.967,34**	**109.848,46**

Group assets purchase according to geographic sector for the nine months:

	1/1-30/9/2007	1/1-30/9/2006
Greece	907,13	2.073,00
Non E.U	247,30	148,00
TOTAL	**1.154,43**	**2.221,00**

Company assets purchase according to geographic sector for the nine months

	1/1-30/9/2007	1/1-30/9/2006
Greece	907,13	2.073,00
Non E.U	-	-
TOTAL	**907,13**	**2.073,00**

7.3 Real weights.

For the existing group's loan obligations at the 30/09/2007 existed mortgages on the buildings amounting euro 71, 2 millions.

7.4 Litigious cases of under arbitration.

There are no pending judicial cases of court decisions that may have a significant effect on the financial position of the company.

7.5 Un-audited fiscal years.

The mother company has not been audited for the fiscal years 2003, 2004, 2005 and 2006.

For the group are presented below:

COMPANY NAME	UNAUDITED FISCAL YEARS
HELLENIC HOTEL COMPANY LAMPRSA SA -MOTHER COM	-
GRANDE BRETAGNE LTD	2004-2006
LUELLA ENTERPRISES LTD	2006
NORTH HAVEN LTD	2000-2006
BEOGRADSKO MESOVITO PREDUZECE	2005-2006
HARVARD INVESTMENTS CORPORATION	2006
WORLD SPIRTI SA	2006
BELVEN ASSOCIATES	2005-2006

7.6 Investments for the nine months 2007.

The investments for the nine months 2007 are for the group euro 1.154 thousands and for the company euro 907 thousands.

7.7 Related parties transactions.

Revenues from services provided	30/09/2007	30/09/2006
Mother company	33,07	30,00
Affiliated company	1.037,89	-
Total	**1.070,96**	**30,00**

Service purchases	30/09/2007	30/09/2006
Mother company	-	-
Affiliated company	-	-
Total	-	-

Loans	30/09/2007	30/09/2006
Mother company	-	-
Affiliated company	22.771,68	-
Total	**22.771,68**	-

Balance from claims and from sales	30/09/2007	30/09/2006
Mother company	11,94	26,00
Affiliated company	-	-
Total	**11,94**	**26,00**

Providers	30/09/2007	30/09/2006
Mother company	-	-
Affiliated company	-	-
Total	-	-

7.8 Number of employees.

	THE GROUP		THE COMPANY	
	30/09/2007	30/09/2006	30/09/2007	30/09/2006
Employees	728	617	480	469
Wage-earner	129	86	35	23
TOTAL	857	703	515	492

7.9 Benefits to the management.

	THE GROUP		THE COMPANY	
	1/1-30/09/2007	1/1-30/09/2006	1/1-30/09/2007	1/1-30/09/2006
Salaries and remuneration of the B.O.D	797,20	731,00	389,40	665,00
Social security cost	-	-	-	
TOTALS	797,20	731,00	389,40	665,00

No loans are given to members of the B. D or to any other executives of the Group (and to their families).

7.10 Cash flow from operating activities

	THE GROUP		THE COMPANY	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Cash flows from operating activities				
Profit before taxes	**11.238**	**7.409**	**6.204**	**4.981**
Plus/Minus Adjustments for:				
Depreciations	3.357	2.508	2.217	2.134
Provisions	137	-640	135	94
Foreign currency gain/losses	(2.166)	1.744	(1.622)	0
Results (revenues,expenses,profit & loss) of investment activity		(52)		
Interest income and other revenues	(165)	(115)	(100)	(115)
Interest and other expenses	3.119	2.307	1.962	1.000
Plus/Minus adjustments related to working capital				
Increase / (decrease) in inventories	(51)	(29)	(5)	(6)
Increase / (decrease) in receivables	(683)	1.955	(665)	(672)
Increase / (decrease) in accounts payable except banks	(154)	2.185	(1.892)	1.917
Provision outflow	(64)		(64)	
	14.568	**17.272**	**6.170**	**9.333**

7.11Profit per share.

	THE GROUP		THE COMPANY	
	1/1-30/09/2007	1/1-30/09/2006	1/1-30/09/2007	1/1-30/09/2006
Gains attributed to the shareholders of the mother company	6.735	4.828	4.760	3.587
Total number of shares	21.364.000	21.364.000	21.364.000	21.364.000
Gains /(losses) per share (Euro per share)	0,3152	0,2260	0,2228	0,1679

7.12 Events after the closing date.

A tax audit was finalized on the 23 October 2007 for the fiscal years 2003, 2004, 2005, and 2006. The resulted taxes and super additions amounted Euros 474.385,44. The company realized provision for tax differences of the same amount that set back the results.

No further events occurred.