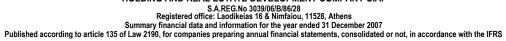
LAMDA DEVELOPMENT S.A.

HOLDING AND REAL ESTATE DEVELOPMENT COMPANY S.A.



The financial statements listed below is aiming to provide a general awareness about the financial position and the financial results of LAMDA DEVELOPMENT S.A. Consequently, it is recommended to the reader, before any investment decision or transaction performed with the Company, to visit the website of the Company (www.Lamda-development.net) where the annual financial statements prepared in accordance with International Accounting Standards are available together with the certified auditors opinion

Registered office: Laodikeias 16 & Nimfaiou, 11528, Athens Register No: 3039/06/B/86/28 Main activity: Holding and Real Estate Development Regulatory authorities: Ministry of Development, Department of Anonymes Companies Date of approval of the annual financial statements (from which summary data were compiled): 21 March 2008 Certified auditor accountant: Michalatos Konstantinos (SOEL Reg.No.17701) Audit firm: PricewaterhouseCoopers S.A. Auditors opinion: No qualification Company's website: www.Lamda-development.net

Board of Directors Chairman of the Board and Managing Director: Apostolos S.Tamvakakis Vice president: Evaggelos I.Chronis Members: Georgios K.Papageorgiou Emmanuel Leonard Bussetil

Petros P.Kalantzis Dimitrios Th.Papalexopoulos Fotios S.Antonatos Spiridon I.Theodoropoulos Georgios K.Gerardos

Company's website: www.Lamda-dev	veiopment.	net						Georgios K.Gerardos Achilleas V.Konstantakopoulos				
		BALA	NCE SHE	ET (Amounts in €)				INCOME STATEMENT (Amo	ounts in €)			
				GRO		COMPA			GRO		COMF	
ASSETS				31/12/2007	31/12/2006	31/12/2007	31/12/2006		1/01- 31/12/2007	1/01- 31/12/2006	1/01- 31/12/2007	1/01- 31/12/2006
Non-current assets								Continuing operations	01/12/2001	01/12/2000	01/12/2001	01/12/2000
Investment property				505.473.951	439.017.856	1.840.441	5.540.441	Sales	86.892.111	97.424.235	1.832.515	3.007.953
Property, plant and equipment				163.572.235	48.334.727	427.867	982.819	Gross profit	45.120.822	50.159.733	1.777.987	
Intangible assets				4.728.371	4.868.297	-	-	Fair value gains of investment property	65.596.161	82.183.042	20.000	
Investments in subsidiaries Investments in associates				1.561.148	957.386	173.727.441 388.328	131.170.909 269.328	Earnings / (losses) before interest, taxes, depreciation & amortization Depreciation	109.441.960 (2.024.104)	141.947.804 (2.289.392)	(3.174.731) (620.377)	
Available-for-sale financial assets				56.711.655	42.427.796	56.711.655	42.427.796	Earnings / (losses) before interest and taxes		139.658.412	(3.795.108)	
Derivative financial instruments				1.147.290	31.150	-	-	Finance costs - net		(17.919.911)	1.091.062	
Deferred income tax assets				551.118	20.574	-	-	Share of (loss) / profit of associates	1.003.447	642.251		<u> </u>
Trade and other receivables				23.840.421	75.377.186	61.115.108	49.730.705	Profit / (loss) before income tax		122.380.753	(2.704.046)	
0				757.586.188	611.034.973	294.210.840	230.121.999	Minus: Taxes		(29.729.287)	75.294	
Current assets Inventories				48.132.708	58.394.743			Profit / (loss) for the period from continuing operations	70.062.290	92.651.466	(2.628.752)	78.781.402
Trade and other receivables				86.460.911	30.452.747	65.292.177	14.414.017	Discontinued operations				
Current income tax assets				5.972.960	2.506.107	5.965.503	1.411.689	Profit for the period from discontinued operations	_	2.650.869		1.048.419
Cash and cash equivalents			46.199.924	79.911.287	3.337.105	51.504.302	Profit / (loss) after tax for the period (continuing and discontinued operations)	70.062.290	95.302.335	(2.628.752)		
				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		• • •						Attributable to:	=0.040.00=		(0.000 ==0)	=0.000.004
Capital and reserves attributable to equi Share capital	lity noiders	or the co	ompany	235.281.883	235.722.818	235.281.883	225 722 040	Equity holders of the Company Minority interest	59.619.925	94.534.422 767.913	(2.628.752)	79.829.821
Other reserves				6.250.706	23.357.593	2.929.004	235.722.818 22.052.196	Willotty litterest	10.442.365 70.062.290	95.302.335	(2.628.752)	79.829.821
Retained earnings				155.639.135	106.546.237	12.464.733	25.215.307		10.002.200	JU.502.333	(2.020.102)	10.023.021
Total shareholders' equity				397.171.724	365.626.648	250.675.620	282.990.321	Earnings / (losses) per share from continuing operations				
Minority interest				54.842.223	42.606.437	-		(expressed in € per share)				
Total equity				452.013.947	408.233.085	250.675.620	282.990.321	Basic	1,35	2,10	(0,06)	
LIABILITIES								Diluted	1,35	2,10	(0,06)	1,79
Non-current liabilities Borrowings				349.026.928	252.924.016	103.000.000		Earnings per share from discontinued operations				
Deferred income tax liabilities				64.755.661	44.671.236	2.331.583	2.324.871	(expressed in € per share)				
Derivative financial instruments				-	124.538	-	-	Basic	0,00	0,18	0,00	0,00
Retirement benefit obligations				368.545	303.200	326.589	275.993	Diluted	0,00	0,18	0,00	0,00
Other non-current liabilities				1.745.642	9.393.342	36.148	36.148					
				415.896.775	307.416.333	105.694.320	2.637.012	CASH FLOW STATEMENT (Amounts in				
Current liabilities									GRO		COMP	
Trade and other payables				45.899.509	43.463.855	12.435.686	11.668.222	Cook flows from anaroting activities	1/01- 31/12/2007	1/01- 31/12/2006	1/01- 31/12/2007	1/01- 31/12/2006
Current income tax liabilities Borrowings				3.491.698 27.050.759	295.284 22.891.300	-	156.451	Cash flows from operating activities Profit before taxes	93.914.038	122.380.753	(2.704.046)	
Borrowings				76.441.967	66.650.439	12.435.686	11.824.673	Adjustments for:	33.314.030	122.500.755	(2.704.040)	07.340.300
Total liabilities				492.338.743	374.066.771	118.130.005	14.461.685	Fair value gains of investment property	(65.596.162)	(82.183.042)	(20.000)	(45.000)
Total equity and liabilities				944.352.690	782.299.856	368.805.625	297.452.006	Share option scheme	328.025	-	328.025	-
								Depreciation	2.024.104	2.289.392	620.377	
	STATE	MENT O	F CHANG	ES IN EQUITY (Amount		001101	. N. P.	Impairment of longterm receivables		3.072.146	14.791.151	
				GRO 31/12/2007	UP 31/12/2006	COMPA 31/12/2007	31/12/2006	Provisions Results (income, expenses, gains and losses) of investment operations	1.479.111 (21.679.472)	(73.815)	14.854	(96.890) (101.642.846)
Shareholders' equity at the beginning of the	neriod (01/0	1/2007 & 0	1/01/2006	31/12/2007	31/12/2000	31/12/2007	31/12/2000	Finance costs - net	14.507.265	17.919.909	(1.091.062)	
respectively)	period (01/0	1/2007 & 0	170 172000	408.233.085	306.846.439	282.990.321	187.645.129	Proceeds from forfeiture of guarantee letters	6.916.943	-	-	-
Net profit / (losses) after taxes				70.062.290	95.302.335	(2.628.752)	79.829.821	Retirement benefit obligation expense	65.345	272.492	50.596	102.895
				478.295.374	402.148.774	280.361.570	267.474.950	Other non-cash flow items	(547.588)	(19.315.680)	(9.477)	503.100
Reserves from revaluation of available-for	r-sale financ	ial assets		(19.369.211)	7.972.364	(19.369.211)	15.670.647					
Cash flow hedges				776.595	(70.041) 37.900	•	-	Changes in working capital :	40,000,000	0.400.204		
Currency translation differences Shares issued in subsidiaries				(1.741.994) 2.087.500	3.848.000	-		Decrease in inventories Decrease / (increase) in receivables	10.966.028 837.937	2.160.304 (32.477.377)	(45.928)	(48.525.976)
Changes in subsidiaries shareholdings			(468.945)	3.040.000	-	-	(Decrease) / increase in payables	(10.346.262)	,	, ,	(24.303.167)	
Acquisition of subsidiaries				145	-	-	-	Minus:	(,	,		(,
Dividends relating to 2006 approved by the	e shareholde	ers		(10.171.822)		(10.121.822)	-	Interest paid	(14.133.234)	,	(957.854)	. ,
Treasury shares purchased				(440.934)	(182.393)	(440.934)	(182.393)	Income tax paid	(5.419.179)	(6.485.038)	(4.553.814)	
Transfers to reserves				3.047.240	2.893	246.019		Cash flows from operating activities - net	13.316.900	(112.965.661)	(14.553.892)	(94.320.704)
Net income / (expense) recognised directly in Disposal of subsidiaries	n equity			-	(12.782) (2.841.549)	-	27.118	Cash flows from investing activities Purchases of property, plant, equipment and investment property	#########	(23.568.979)	(184.658)	(125.489)
Changes in subsidiaries consolidation met	thod				(2.641.549)	-		Proceeds from sale of property, plant and equipment	**************************************	22.553	(104.008)	(120.409)
Shareholders' equity at year end (31/12/2007		6 respecti	vely)	452.013.947	408.233.085	250.675.620	282.990.321	Dividends received	2.838.562	1.620.333	1.978.309	1.620.333
								Loans granted to related parties	(439.634)	(5.076.000)	(77.581.987)	
Additional records and accounts :						· · · · · · · · · · · · · · · · · · ·		Interest received	1.323.399	98.599	1.149.208	
			Participation				% Participation	Proceeds from repayments of borrowings granted to related parties	5.467.111	-	10.670.265	
1. GROUP'S COMPOSITION		9	of the parent company				of the parent company	Purchase of available-for-sale financial assets	(33.653.070)	404 005 107	(33.653.070)	
Company				Company				Sale of participation Increase in participations	11.987.953 (556.267)	161.895.107 (8.665.964)	11.655.117 (46.023.063)	
LAMDA Development SA		Pa	rent company					Increase in assets due to acquisition of subsidiaries	(293.409)	(406.000.0)	(40.023.003)	(12.000.030)
Full consolidati			100 000	LAMBA CI	Proportionate conse		g 40 m a 1 1	Cash flows from investing activities - net	#######################################	126.325.649	(131.989.878)	141.737.194
KRONOS PARKING ŚA		Indirect	100,00% 100,00%	LAMDA Olympia Village SA LAMDA Akinita SA		Greece Greece	49,24% 50,00%	Cook flows from financing activities	·		-	
PYLAIA SA	Greece Greece		100,00% 60,10%	LAMDA Redding Contracting SC LAMDA Olympic SRL		Greece Indire Romania	50,00%	Cash flows from financing activities Purchase of treasury shares	(440.934)	(182.393)	(440.934)	(182.393)
	Greece Greece	Indirect	51,00% 39,39%	Singidunum-Buildings DOO Rang Nekretnine DOO		Serbia Indire Serbia Indire		Incremental costs due to share capital increase	-	(.02.000)	(T-10.00 1)	(1.278)
LAMDA Erga Anaptyxis SA	Greece	ancet	100,00%	GLS OOD		Bulgaria Indire		Costs on issuanse of bond loans	(1.021.464)	-	-	-
LAMDA Property Management SA	Greece Greece		100,00%	wan	Equity consolida	ution.		Proceeds from issuance of shares of subsidiaries Proceeds from decrease in ordinary shares of subsidiaries	290.000	5.215.807 (100.000)	6.152.031	52.164.298
LAMDA Anadixi SA	Greece Greece		80,00% 100,00%	MC Property Management SA ECE LAMDA HELLAS SA		Greece Indire Greece	34,00%	Dividends paid to Company's shareholders	(10.178.071)	(100.000)	(10.178.071)	
LAMDA Waste Management SA	Greece Greece		100,00% 100,00%	ATHENS METROPOLITAN E SC LAMDA MED SRL		Greece Romania Indire		Dividends paid to minority interests	(50.000)	-	-	` -
GEAKAT SA	Greece Σερβία			EFG PROPERTY SERVICES		Romania Serbia	20,00% 20,00%	Borrowings received and refinancing	122.001.758		103.000.000	136.082.073
Property Development DOO	Σερβία		100,00%	EFG PROPERTY SERVICES		Bulgaria	20,00%	Capital repayments of finance leases	(685.913)	(637.265)	/1EG 4E4\	- (188 286 246)
LAMDA Development Sofia EOOD B	Romania Bulgaria		100,00%					Repayments of borrowings Cash flows from financing activities - net	(20.990.318) (88.925.057	29.721.477	98.376.574	(188.266.316) (203.869)
LAMDA Development Vitosha EOOD B	Bulgaria Bulgaria		100,00% 100,00%									,
	Bulgaria ontenegro	Indirect	100,00% 100,00%					Net (decrease) / increase in cash and cash equivalents	(33.711.364)	43.081.465	(48.167.196)	47.212.621

- 2. 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. All the other subsidiaries have not been tax audited since year 2003. Therefore, Group's tax obligations have not been defined permanently.
- 3. The accounting principles adopted in the preparation and presentation of the annual financial statements are consistent with the same accounting principles adopted for the financial statements of the Company and the Group for the year ended 31 December 2006.

 4. Certain comparatives in the income statement and cash flow statement have been reclassified in order to better present the Company's performance. For further analysis, see
- note 35 of the Company's annual financial statements
- 5. During 2006, the Company proceeded in the sale of its subsidiaries LAMDA Shipyards and Marine Services S.A. and ARGONAFTIS M.S.A. and as a result, business segment that refers to shipyards services is regarded as discontinued operation. The profit after tax from discontinued operations at 30/09/2006 amounted to profi€ 1.05m for the Company results and € 2.65m for the Group results.
- 6. The company Consolidated Lamda Holdings SA registered in Luxembourg participates in Company's share capital by 55,68% and therefore Group's financial stat included in Consolidated Lamda Holdings SA's consolidated financial statements.

Robies Services Ltd

- The Real estate liens and pre-notices, amount to £ 425.2m concerning guaranties for bank loans.

 There are neither cases under dispute, litigation, or arbitrations nor any court decisions that are likely to have a significant impact on the Company's financial statements. 9. The number of employees at the end of the period was 143 for the Group in total of which 84 for the Company (31/12/2006: Group 131, Company 80) from which seasonal were: Group 8, Company 0 (31/12/2006: Group 0, Company 0).
- 10. On 02/07/2007, the Company acquired an extra 6% of the share capital of Lamda TechnolFlisvos Marina with transaction cost€ 437k. As a result, the Company's participation reached 51%.
- 11. During 2007, the following investing activities took place: a) the Company established the companies Lamda Development Montenegro DOO registered in Montenegro, LAMDA Waste Management SA registered in Greece, LAMDA Development Vitosha EOOD and LAMDA Development South EOOD registered in Bulgaria and Property Development DOO registered in Serbia. b) The Company proceeded in the acquisition of 90% of the share capital of Cypriot company Robies Services Ltd, which owns 100% of Romanian company Robies Proprietati Imobiliare SRLc) the subsidiary company LAMDA Development (Netherlands) BV registered in The Netherlands paid € 10.3m for the acquisition of 100% of TiHI EOOD, registered in Bulgaria, share capital, established the company Singidunum Buildings DOO registered in Serbia in which it owns a 50% of the share capital and the company Lamda Properties Development SRL registered in Romania in which it owns a 95%
- d) Singidunum Buildings DOO company acquired the 100% of the Rang Nekretnine DOO company's share capital at the price of€ 18,3εκ. e) the Company has acquired GEAKAT SA which holds a 116,000 sqm plot of land in Perdika district of Aegina island. The transaction cost is approximately € 13.5m.

12. On 12/07/2007 LAMDA Development SA announced the signing, through its 100% subsidiary company in Romania "Lamda Development Romania SrL", of a The virtual control of the company announces that its 100% subsidiary company in Normania Canida Development Normania St., of a pre-sale agreement for a plot of land of 10,000 sqm in Bucharest.

13. On 13/08/2007, 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 oper In the Company participates to the property that was possessed by the Company participates to the property that was possessed by the Company participates to the property of the Company participates to the Company p

15. Intercompany transactions for the year ended 31 December 2007 and intercompany balances as of 31 December 2007, according to IAS 24 are as follows:

Amounts in €	GROUP	COMPANY
a) Sales of goods and services	2.894.250	1.755.202
 b) Sales of fixed assets and inventories 	20.281.956	3.850.607
b) Purchases of goods and services	6.309.869	451.590
c) Purchases of fixed assets	-	37.378
d) Dividend income	1.861.874	1.978.309
e) Receivables	2.623.052	75.467.810
f) Payables	36.511.711	33.355.374
g) Transactions and gross salaries of BoD members and manageme	ent 1.173.937	1.144.214
h) Receivables from BoD members and management	2.919	-
i) Payables to BoD members and management	-	_
i) Cash at bank - related parties	17.176.343	3.320.530

THE CHAIRMAN OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

THE GENERAL MANAGER & MEMBER OF THE BOARD OF DIRECTORS THE DIRECTOR OF FINANCE & ADMINISTRATION

Cash and cash equivalents at the beginning of period Cash and cash equivalents at the end of period

THE FINANCIAL DIRECTOR

BASILIOS A. BALOUMIS

I.D.No T061891

APOSTOLOS S.TAMVAKAKIS GEORGIOS K. PAPAGEORGIOU ODYSSEAS E. ATHANASIOU I.D.No P704691 I.D.No P655346 I.D.No AB510661