ANNUAL FINANCIAL REPORT 01 JANUARY-31 DECEMBER 2013

LAMDA Development S.A.

G.E.MI.:3379701000
(Former S.A. REG.No: 3039/06/B/86/28)

37A Kifissias Ave.

15123, Maroussi

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.

Index of annual financial report

The annual financial statements, the auditors' reports and the Board of Directors reports of the companies included in the consolidated financial statements are available on the Company's website www.lamda-development.net.

STATEMENTS OF THE BOARD OF DIRECTORS OF
"LAMDA Development S.A."
ACCORDING TO THE ARTICLE 4, Par.2 OF THE LAW 3556/2007

We state to the best of our knowledge, that the annual financial statements for the year ended on December 31, 2013 which have been prepared in accordance with the international accounting standards in effect, reflect fairly the assets, liabilities, equity and the results of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole.

Furthermore, we state to the best of our knowledge that the Annual Report of the Board of Directors reflects fairly the development, the performance and the status of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole, and includes a description of the main risks and uncertainties they face.

Maroussi, March 31, 2014

Dr. Petros P. Kalantzis	Evangelos I. Chronis	Odysseus E. Athanasiou
Chairman of the BoD	Vice Chairman of the BoD	Chief Executive Officer of the BoD

ANNUAL BOARD OF DIRECTORS' REPORT OF "LAMDA Development S.A." FOR THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE FISCAL YEAR THAT ENDED ON 31 DECEMBER 2013

Dear Shareholders,

According to the provisions of the laws 3556/2007 and 2190/1920 and the decisions 1/434/3.7.2007 and 7/448/11.10.2007 of the Hellenic Capital Market Commission, we present the annual Board of Directors' report of "LAMDA Development S.A." concerning the Consolidated and Company Financial Information for the fiscal year that ended on December 31, 2013.

FINANCIAL POSITION OF THE GROUP

According to the International Financial Reporting Standards, the basic Group's and Company's figures for the period from 1/1/2013 to 31/12/2013 are the following:

The consolidated results after tax was losses of € 48.631 thousands compared to losses € 98.234 thousand in 2012, whereas net losses for the Company's shareholders reached losses of €48.599 thousands compared to € 91.875 thousands last year. We note that in 2012, the reason for the significant drop in Group earnings before tax is mainly due to the reclassification of the Afs reserve to the P&L account deriving from the difference between the share value and the purchase value of the shares that the Company owns in Eurobank Properties R.E.I.C., in the amount of € 44.038 thousands. In addition, the reduction in fair value losses (deriving from investment properties) was € 38.581 thousands compared to losses € 56.400 thousands in 2012. Also, the Company impaired the property and other assets value by the amount of € 4.833 thousands compared to € 14.584 thousands during 2012. Also, we had a negative impact of €11.757 thousands to the year's results due to the increase of the deferred tax since the tax rate changed from 20% to 26%. The operating profits before fair value losses reached € 25.584 thousands compared to € 23.468 thousands presenting a decrease of 9%. It must be noted that the Group spent more than €2.100 thousands in order to participate in contests, with more significant among all the contest regarding the acquisition of 100% of the share capital of the company "Helliniko A.E".

A decrease of 9.7% was noticed in the consolidated turnover, which reached € 64.489 thousands compared to € 71.394 thousands in 2012. This decrease is mainly attributed to the decrease in turnover from marine services due to the transfer of the interest held in Flisvos Marina and the change in the consolidation method.

The total equity, that corresponds to the Company's shareholders, after non-controlling interests, reached € 249.638 thousands compared to € 296.308 thousands in 2012 presenting a decrease of 15.8%.

(amounts in € thousands)	**2013**	**2012**	**Variation**
NET ASSET VALUE (NAV)	296.409	337.100	-12.1%
Shareholders' Equity	249.638	296.308	-15.7%
Earnings before valuations	25.585	23.468	9%
Fair Value Losses	-38.581	-56.400	-
Losses before tax	-40.280	-107.537	-
Net Losses after tax & non-controlling interests	-48.599	-91.875	-

Turnover	64.489	71.394	-9.7%

SIGNIFICANT EVENTS

The deterioration of the Greek economy as well as the significant deterioration in the consumption has impacted the yields of the Shopping Centers. However, the Group's Shopping Centers continue to excel in relation to the other market due to the comparative advantage that they present in relation to traditional markets. We should note that the sales of the shops during the second semester of the year presented a remarkable increase by 6% in relation to the previous year's first semester whereas there was an increase by 2% for the whole year. In the current reporting year, "The Mall Athens" recorded a decrease in EBITDA by 12.8%. "Mediterranean Cosmos" in Pylaia Thessaloniki had a decrease in EBITDA by 9%. "Golden Hall" showed an increase in EBITDA of €8.6m due to the non-payment of lease cost as a result of the acquirement of the usufruct upon the right of exploitation.

The total amount of borrowings during this annual period did not mark any significant change. However, due to the reduction in fair value losses deriving from investment properties, the financial rates (LTV) and Net debt/Book equity reached 61% and 181% respectively compared to 53% and 129% as at 31/12/2012.

On 5/2/2013, the acquirement of the usufruct upon the right of exploitation for 90 years of the International Broadcasting Centre (IBC) was finalized, after the signing of the respective contract between LAMDA DOMI SA and the Hellenic Republic Asset Development Fund (HRADF) and the payment by the former of the contractual part of the price, amounting to € 81 million. The transaction followed an international bidding contest where the Company had submitted the respective offer. The substantial and fully commercial exploitation of the property is expected to add value to the consumers, the existing shops of Golden Hall, and to create new job opportunities.

PARTICIPATIONS IN CONTESTS

- **HELLINIKON – Hellenic Republic Asset Development Fund (HRADF)**
  LAMDA Development S.A. following HRADF BoD's decision at 11/09/2012, participates in the B' phase of the contest for the acquisition of (100%) of the share capital of "Hellinikon SA", aiming to the exploitation of the former Hellinikon airport area and the coastal zone, of 6.200.000 sqm total area. The Company was the only bidder that submitted at 27th of February, 2014. On 19 March 2014 the Hellenic Republic Asset Development Fund invited Lamda Development to submit an improved offer until 26 March 2014 On 19 March 2014 the Hellenic Republic Asset Development Fund invited Lamda Development to submit an improved offer until 26 March 2014. Following the submission of the improved offer by the Company, the Hellenic Republic Asset Development Fund announced on 31 March 2014 that the bidding process concluded in favour of the Company. The completion of the transaction is subject to the approval of the Court of Auditors of the Hellenic State.

- **ASTIR, VOULIAGMENI – National Bank of Greece (NBG) and Hellenic Republic Asset Development Fund (HRADF)**
  LAMDA Erga Anaptyxis S.A. following NBG BoD's and HRADF BoD's decision at 15/01/2013, participates in the B' phase of the contest for the acquisition of (85.35%) of the share capital of "Astir Palace Vouliagmeni SA", aiming to the exploitation of the property located in Vouliagmeni area in Attiki. Property of 308.000 sqm. The Company submitted a binding offer at 29th of

November, 2013. The Company was excluded from the contest because the offer was the lowest from all binding offers.

SIGNIFICANT RISKS FOR YEAR 2013

Fluctuations in property values

Fluctuations in property values are reflected in the income statement and balance sheet according to their fair value. An increase in yields would have an important effect on the Group's profitability and assets. However, due to the successful operations of Shopping and Leisure Centers "The Mall Athens", "Golden Hall" in Maroussi and "Mediterranean Cosmos" in Pylaia Thessaloniki, their market value is unlikely to decline.

Credit risk

Income would be greatly affected in case the tenants are unable to fulfil their contractual obligations.

However, the Group has a well-diversified tenant mix consisting mainly of blue chip companies in Greece and foreign countries. The customers' financial condition is monitored on a recurring basis. The Company's management does not expect significant losses from non-receivables apart from those for which certain provisions have already been made.

Foreign exchange risk

The Group operates in Balkan countries and is exposed to foreign exchange risk arising from various currencies, primarily the Serbian, Romanian and Bulgarian currencies. Since the investments in the above-mentioned countries represent less than 14.5% of the Group's asset value, the Group is not significantly exposed in this risk category.

Interest rate risk

The Group's interest rate risk derives mainly from bank loans with floating base rate. The continuing interest rate increase lately will result in bigger financial expense. The risk is partially hedged with financial derivative instruments.

31% of the Group's borrowings have a fixed base interest rate or are hedged through financial derivative instruments.

Inflation risk

The Group's exposure to inflation risk is limited as the Group enters into long term operating lease arrangements for a minimum of 6 years that are adjusted annually according to the Consumer Price Index plus margin up to 2%.

Liquidity risk

Liquidity needs are fully satisfied by the on-time forecast of cash needs in conjunction with the prompt collection of receivables and by maintaining adequate credit limits with the banks we do business with. However, an amount of €254.426 thousands of borrowings are to be paid in 2014. The Management of the Company is under negotiations with the Banks in order to renew the borrowings so that the maturity becomes med-long-term. The procedure of the borrowings' renewal has not been completed yet.

External factors

The Company has investments in Greece, Romania, Serbia, Bulgaria and Montenegro. The Group can be affected by external factors such as political instability, economic uncertainty and changes in local tax regimes.

PENDING LITIGATION

1. THE MALL ATHENS

1.1 Pending litigation

With regard to the legal issues relating to the particular investment, the following should be noted:

In total, five (5) petitions for annulment have been filed before the Council of State, relating to the area where the Olympic Press Village (or "Olympiako Chorio Typou") and the Shopping Center "The Mall Athens" were built, whose legal owner is the Company's subsidiary "LAMDA OLYMPIA VILLAGE S.A." (hereinafter, "L.O.V."). Specifically:

(a) The first petition for annulment directly contests the validity of Law 3207/2003, which is in lieu of the building permit for all the buildings constructed on this particular area. The petition aims to have the Law declared null and void, on the basis that it is allegedly not compatible with the provisions of the Constitution of the Hellenic Republic. The petition was heard on 03.05.2006 and the Fifth Section of the Council of State sent the case to the court's Plenary Session by means of its decision No 391/2008. The petition was heard before the Plenary Session on 05.03.2010, further to successive postponements of hearings previously scheduled for 05.02.2010, 09.10.2009, 08.05.2009 and 07.11.2008.

On 16/10/2010 the Plenary Session issued its decision No 4076/2010, whereby the hearing of the petition was postponed until the issuance of a decision by the Court of Justice of the European Union over another case, in which– according to the Council of State – similar legal issues were raised. The Court issued in decision in October of 2011, further to which the petition was heard before the Plenary Session of the Council of State on 05.04.2013, following postponements on 11.01.2013 and 01.03.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003.

The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, pursuant to the procedure required further to the issuance of the said decision.

(b) The second petition seeks annulment of the deemed approval of the designs submitted by L.O.V. to the Ministry of Environment, Planning and Public Works, pursuant to article 6 paragraph 2 of Law 3207/2003. By means of its decision No 455/2008, the Fifth (E') Section of the Council of State postponed the hearing of the case, until the issuance of the decision by the Court's Plenary Session on the first petition for annulment. The hearing of the petition has been set for 02.04.2014, further to a postponement of the hearing previously scheduled for 02.12.2009, 02.06.2010, 03.11.2010, 08.06.2011, 02.11.2011, 11.01.2012, 07.03.2012, 02.05.2012, 07.11.2012, 06.03.2013, 02.10.2013 and 05.02.2014.

(c) The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution.

(d) The fifth petition for annulment contests the validity of the decision of the Board of Directors of OEK (Worker's Housing Organization or "Organismos Ergatikis Katoikias"), which authorized the sale to L.O.V. of the plot of land where the Shopping Center was erected. Similar to the foregoing cases, the legal basis of the petition for annulment is the alleged incompatibility of Law 3207/2003 with the provisions of the Constitution.

The last three petitions for annulment have been scheduled to be heard before the Fourth (D) Section of the Council of State on 06.05.2014, further to successive postponements of hearings previously scheduled for 09.01.2007, 23.10.2007, 08.01.2008, 07.10.2008, 16.06.2009, 12.10.2010, 29.03.2011, 14.02.2012, 09.10.2012, 12.02.2013, 04.06.2013 and 19.11.2013.

It is noted that L.O.V. has intervened in all cases as a third party in the proceedings to support the validity of the "acts" contested.

In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the second, third and fourth petitions for annulment will be accepted.

The fifth petition for annulment will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (the decision under annulment not being an enforceable administrative act).

Finally, in the event that any of the above petitions for annulment is accepted, L.O.V. will be entitled to seek redress for any damages it may suffer against the Greek State.

1.2 Potential impact of pending litigation on the existing contracts

(a) In 2006 the Company transferred 50% of the shares it holds in L.O.V. to the company "HSBC PROPERTY INVESTMENTS LUXEMBOURG S.A.R.L.". The relevant agreement provides that, if either of the first two petitions is irrevocably accepted, the purchaser will be entitled to a refund of the amounts, which it will have paid to the seller for the purchase of the above shares, plus the purchaser's share in L.O.V.'s accrued distributable profits and to 75% of its non-distributable reserve funds (provided that they do not relate to the building complex or the office building and disregarding any non-realized profits from reserve funds, which derive from the re-valuation of fixed assets), and shall transfer the shares in question back to the Company. However, in this case, the Company's legal advisors believe that the course of this agreement over the years minimizes the possible application of the specific contractual provision.

(b) In addition to the above, L.O.V. sold the office building "ILIDA BUSINESS CENTRE" to the company "BLUE LAND S.A." on 26.06.2007. The respective deed of transfer includes a provision specifying that, if either of the first two petitions is irrevocably accepted as a result of the Court's ruling that Law 3207/2003 is not compatible with the provisions of the Constitution, then the purchaser will be entitled to demand reinstatement of the property to its original status and rectification of any actual damages it may have suffered, as such term is defined in the deed of transfer. However, the Company's legal advisors believe that the said provision is not applicable in this particular case. Further, pursuant to the aforementioned deed of transfer, in the event of any other ruling of the Council of State regarding the said Law's non-compatibility to the Constitution, including the acceptance of the second, fourth or fifth petition, then the purchaser will be entitled to repudiate the contract and demand restoration of the aforementioned actual damages, following the lapse of a period of two years from the date of issuance of the decision on the annulment petitions, on condition that any defects or deficiencies resulting from said decision have not been remedied in the meantime.

(c) In any case, as already mentioned, L.O.V. is entitled to seek redress for any damages it may suffer against the Greek State as a result of the aforementioned petitions for annulment.

2. FLISVOS MARINA

With regard to the legal issues relating to the particular investment, the following should be noted:

One petition for annulment was pending against the ministerial decision, whereby the existing harbor basin was delineated for the project of the expansion and retrofitting of the Flisvos Marina. The petition was heard before the Fifth (E') Section of the Council of State on 05.12.2012 (further to successive postponements) and was rejected by virtue of the Court's decision No. 1990/ 2013.

3. MEDITERRANEAN COSMOS

With regard to the legal issues relating to the particular investment, the following should be noted:

Contractor "MICHANIKI S.A." undertook a significant part of the construction works for the "Mediterranean Cosmos" Shopping Center in Pylaia, Thessalokini. Both "PYLAIA S.A.", a subsidiary of the Company, and "MICHANIKI S.A." have filed actions and counter-actions, which were jointly heard on 01.04.2009, following a postponement of the hearing initially set for 02.04.2008. The total claims of "PYLAIA S.A." against "MICHANIKI S.A." stand at € 18,340,931.49 (including the amount of € 2,000,000 as compensation for moral distress). On the basis of the actions it has filed, "MICHANIKI S.A." claims the amount of € 34,826,329.14 (including the amount of € 10,000,000 as compensation for moral distress).

By virtue of its decision 8172/2009, the Athens Multi-Member 1st Instance Court:

(i) Rejected the claims of "PYLAIA S.A.", adopting the false reasoning that "PYLAIA S.A." had assigned its claims under the contracts in question (with "MICHANIKI S.A.") to the bondholder agent further to a respective agreement and, therefore, was not entitled to seek redress for its pertinent claims.

(ii) Rejected certain claims of "MICHANIKI S.A." as vague or unfounded and ordered a continuance hearing, to follow the issuance of an expert opinion on certain allegations of one of the actions.

"PYLAIA S.A." had lodged an appeal against the above decision, seeking to reverse it to the extent that it rejected "PYLAIA S.A."'s actions as per point (i) above. The appeal was heard before the Athens Court of Appeal on 28.02.2013 (following a postponement of the initial hearing date which was the 27.09.2012) and rejected by virtue of the court's decision No. 3977/ 2013. The court ruled that since "PYLAIA S.A." had assigned its claims from said contracts with "MICHANIKI S.A." to the bondholder agent under respective contract, it was not legally entitled to achieve the satisfaction of those claims. The Company will submit an appeal on points of law in front of the Supreme Court.

Further to the above, the hearing of the lawsuits of "MICHANIKI SA" had been set on 13.03.2013, a date on which they were postponed to be heard on 27.05.20115, following the submission to the Court of the expert's report which is favorable to "PYLAIA SA".

In addition, "PYLAIA SA" filed a third lawsuit against "MICHANIKI SA" on 24.12.2010 claiming additional compensation of € 2,073,123.13 (which includes the amount of €500,000 for moral damages). The hearing has been scheduled for 25.02.2015, following a postponement on 21.11.2012.

Moreover, on 28.12.2010 the Company filed the nr13132, 13134 and 13129/2010 lawsuits to the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement of the hearing of the case on 14.11.2012. It must be clarified that the subject of these lawsuits is identified with the previously presented lawsuits, and they have been filed only in case that "PYLAIA SA" is not legally in charge to practice these lawsuits in its name. This is the reason why the hearing of those lawsuits was cancelled on 13.02.2013and was reenacted so that those lawsuits are heard on 18.03.2015.

Finally, on 09.11.2012 "MICHANIKI S.A." filed a lawsuit before the Athens Multimember Court of First Instance, claiming additional compensation amounting to € 2,293,016.59, namely the amount that "PYLAIA S.A." collected from Alpha Bank by forfeiture of "MICHANIKI S.A."'s bank bonds, and an additional amount of € 500,000.00 as moral damages. The lawsuit is set to be heard on 28.05.2015.

In general, pursuant to the assessment of Company's legal counsels, the substantiated claims of "PYLAIA S.A." against "MICHANIKI S.A." significantly exceed the substantiated counterclaims of the latter against "PYLAIA S.A.".

4. GOLDEN HALL (former International Broadcasting Centre)

With regard to the legal issues relating to the particular investment, the following should be noted:

Dorylaos Klapakis, a resident of Maroussi, brought a petition for annulment before the Athens Administrative Court, relating to the building of the former International Broadcasting Centre, on a part of which the Company has developed the business and shopping centre «Golden Hall». The petition was brought against the original building permit for the construction of the International Broadcasting Centre (License number 75/29.05.2003), against the license for demolition and consolidation of the structure of the main part of the International Broadcasting Centre (License number 5/2007), as well as against the environmental terms of the project on the grounds that both those acts and Law 3342/2005 are not compatible with the provisions of the Constitution. The said petition was rejected by virtue of decision No 1517/2011 of the Second Section of the Administrative Court of Athens.

Thereafter, the applicant lodged an appeal before the Council of State, which was heard on 25.09.2013. The appeal was rejected by virtue of the Court's decision No 3663/2013.

RELATED-PARTY TRANSACTIONS

The related-party transactions according to IAS 24 of the Company and the Group are disclosed in the note 32of the consolidated financial statements for the year ended on 31 December 2013.

CORPORATE GOVERNANCE DECLARATION

A. Corporate Governance Code

The Company, pursuant to Law 3873/2010 has enacted and implements a Corporate Governance Code, which can be found in its website www.lamda-development.net

B. Corporate Governance principles that the Company follows in addition to laws and regulations

The Company, with a view to implementing a structured and adequate system of Corporate Governance, has adopted and implements specific practices in addition to the provisions of the law, which may be outlined as follows:
- The Company draws a clear distinction between the responsibilities of the Chairman, who is a non-executive member of the Board, and those of the CEO.
- The Board is composed by a majority of non-executive members, with a significant presence of independent non-executive members who's number, in the present composition, amounts to a total of three (3).
- Establishment of Compensation and Nomination Committee to assist the Board of Directors in all matters concerning the general principles governing the management of the Company's human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors' executive members and the executives and employees of the Company, as well as the empowerment of the company's administrative centres, thus the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and approve the documented recommendations of CEO for hiring and promoting executives.
- The Company establishes a standard procedure for the evaluation of the Board and its Committees, which takes place at least every two years.

The above mentioned practices are analytically mentioned in the Corporate Governance Code, which has been posted on the Company's website www.lamda-development.net

C. Description of the internal control and risk management system with regard to the preparation of the financial statements

C.1. Internal Control System

The Company implements a "safety valves" mechanism for the preparation of financial statements, aiming to prevent or identify material errors on time, in order to ensure the credibility and efficiency of operations and the compliance with laws and regulations. The selection and placing of material accounts and group companies under this safeguard mechanism is performed using specific qualitative and quantitative significance criteria.

Regarding the preparation of financial statements, the main areas in which these "safety valves" are established are the following:

Organization - Allocation of Competencies
- The assignment of authorities and responsibilities, both at the Senior Management and executives of the Company, enhances the efficiency of the Internal Control System while simultaneously safeguarding the segregation of duties.

- The Company ensures the adequate staffing of financial departments with qualified personnel possessing the expertise and experience required for the fulfilment of their assigned duties.

Monitoring of the accounting process
- Establishing a single centralized policy for the monitoring of the group subsidiaries' accounting departments.
- Launching a program for the integration and monitoring of intercorporate transactions, tailored to meet the needs of the Company.
- Conducting automatic checks and verifications between the various information systems.

Process for the safeguarding of assets
- Setting up safety mechanisms for the Company's fixed assets, inventories, cash on hand and in banks and other assets.
- Following a program of regular physical inventories to verify stock balance.

C.2. Information System Security

The Company has developed and integral framework for the supervision and monitoring of its information systems. This framework consists of a set of control mechanisms (networks security, access, security back-ups, etc.), a complete plan for the recovery of information infrastructures in case of disaster (Disaster Recovery Plan), and updates of software and hardware in order to meet all needs and necessities. Policies and procedures have been updated to cover the entire scope of the Company's information systems activities, among which the change management procedure with regard to information systems and services and the provision of detailed job, roles and duties descriptions for all the parties involved in the preparing of financial statements. Finally, limited access rights have been set for the system users according to their assigned tasks, and an entry log system is kept, in order to allow the immediate and efficient control of all users.

C.3. Risk Management

The identification and assessment of risks is mainly performed during the strategic planning and the annual business plan. The issues to be examined each time may vary, depending on the conditions of the market and the business sector in general. A more extensive reference to the risks to which the Company is exposed, is made in another section of the Board of Directors' Report. Major concern of the Company's Management is to ensure - by implementing the appropriate risk management system- that the entire mechanism shall readily and efficiently nip on the bud any risks or, at least, take the appropriate measures to mitigate their effects to the extent possible. To this end, the systems implemented by the Company provide for specific procedures and special policies and clearly determine the persons responsible for the risk management at each level and delineate their powers.

The Board of Directors is the competent body that has the ultimate responsibility for the monitoring and assessment of the internal control and risk management systems. The responsibility for monitoring the compliance with the system resides with: a. The Audit Committee of the Board; and b. the Company's Internal Audit Department, as set out in detail in the Corporate Governance Code posted on the Company's website (www.lamda-development.net).

D. Additional information pursuant to sections (c), (d), (f), (g) and (h) of article 10 par. 1 of the 2004/25/EC Directive

- The additional information pursuant to section (c) of article 10 par. 1 of the 2004/25EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007

- With regard to the additional information pursuant to section (d) of article 10 par. 1 of the 2004/25/EC Directive, there is not any kind of titles issued by the Company which confer special rights to their holders
- With regard to the additional information pursuant to section (e) of article 10 par. 1 of the 2004/25/EC Directive, there does not exist any limitations whatsoever with regard to voting rights.
- With regard to the additional information pursuant to section (f) of article 10 par. 1 of the 2004/25/EC Directive, any amendment of the Articles of Association of the Company needs to be approved by the General Shareholder Meeting as stipulated by Law 2190/1920. Following the proposal of the BoD, the BoD members are elected by the General Shareholders Meeting. In case of replacement of one of the members of the BoD, the BoD takes the decision and its decision is valid by the next General Shareholder Meeting.
- The additional information pursuant to section (g) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.

E. Information regarding the mode of operation of the General Meeting of the Shareholders and its authorities, as well as the description of the Shareholder rights and their exercise

E.1. General Meeting of the Shareholders

The General Meeting is the supreme body of the Company; it is convened by the Board of Directors and has the authority to decide on all matters that concern the Company. Shareholders have the right to participate to the General Meeting, either in person or through a legally authorized representative, in accordance with the legal procedure that is in effect.

The Board of Directors ensures that the preparation and the proceedings of the General Meeting of Shareholders facilitate the effective exercise of shareholder rights, within the framework of the Articles of Association, thus their participation, especially the shareholders with minority rights, the foreign shareholders and those living in isolated areas.

In relation to the provisions of L. 3884/2010 the Company posts on its website at least twenty (20) days before the General Meeting, both in the Greek and English language, information regarding:

- The date, the time and the place where the General Meeting of Shareholders is being convened.
- The basic rules and practices for participating, including the right to add items to the daily agenda and to submit questions, as well as the deadlines for exercising those rights.
- The voting process, the conditions for representation through an agent, and the documents that are used for voting through an agent.
- The proposed daily agenda of the Meeting, including the draft decisions for discussion and voting, as well as any attached documents.
- The proposed list of candidate members of the BoD and their biographical statements (provided that members must be elected).
- The total number of shares and voting rights on the date of the convocation.

The General Meeting is entitled to elect its Chairing Committee, consisting of the Chairman and Secretary of the General Meeting. Until approval of the Chair election list, the Chairman of the Board of Directors, or his legal Substitute, or the eldest Shareholder attending, shall act as interim Chairman and appoint a Secretary among the shareholders attending.

Summary of the minutes of the General Shareholder Meeting are made available on the Company’s website within 15 days as of the end of the General Shareholder Meeting both in Greek and English.

E.2. Shareholder participation in the General Meeting

Every shareholder is allowed to participate and vote at the General Meeting of the Company that appears with that capacity in the records of the entity that holds the transferable securities of the Company at the commencement of the fifth (5th) day before the date of the General Meeting, and, in the case of the Second General Meeting, at the start of the fourth (4th) day before the date of the Second General Meeting. The exercise of these rights does not require the blocking of the shares of the holder, nor the observance of any other equivalent procedure. The shareholder can appoint a representative if he or she wishes. In other respects, the Company complies with the provisions of codified law 2190/1920.

E.3. Procedure for participating and voting through a representative

Shareholders may participate in the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies and legal entities/shareholders may appoint up to three (3) individuals as proxies. In cases where a shareholder owns shares of the Company that are held in more than one Investor Securities Account, the above limitation does not prevent the shareholder from appointing separate proxies for the shares appearing in each Account. A proxy holding proxies from several shareholders may cast votes differently for each shareholder.

It is noted that provided that the Board of Directors establishes that the previous material and technical resources adjustment is still in place, ensuring the identification of shareholders and the security of the electronic communication, and allowing for the transmission of the meeting or for a two-way communication, the shareholders may participate at the general meetings by electronic means, i.e. without physical participation at the venue of the general meeting. This participation may take place via real time transmission of the meeting or real time two-way communication, enabling shareholders to address the general meeting from a remote location. The company's Board of Directors shall be responsible to establish whether the above requirements, such as are necessary to ensure the technical feasibility and security of the participation in the general meeting by electronic means, are met.

Provided that the board of directors establishes that the previous material and technical resources adjustment is still in place, ensuring the identification of shareholders and the security of the electronic communication, the company's shareholders shall be able to exercise their voting rights at a general meeting from a remote location, either by voting by correspondence or by electronic means. In such an event, the company shall distribute ballot forms beforehand either in electronic format via its website or in paper form at its registered office. The exercising of voting rights by electronic means may take place before or during the general meeting. The Shareholders voting by correspondence shall be counted in the calculation of quorum and majority, on the condition that the Company receives the relevant ballots at least by the beginning of the General Meeting. The company's Board of Directors shall be responsible to establish whether the above requirements, such as are necessary to ensure the technical feasibility and security of the shareholders' distant participation in the general meeting, are met.

In any case, the Board of Directors shall include in the Notice of the General Meeting all the necessary information on the possibility of distant voting and the participation in the General Meeting by electronic means. Should the Board of Directors establish that the technical requirements, as necessary to secure the holding of a general meeting by electronic means or the shareholders' distant voting at the general meeting, are not met, then it shall mention this fact in the notice of the general meeting.

E.4. Minority rights

All issues pertaining to minority matters and rights shall be regulated in accordance with the provisions of Codified Law 2190/1920, as in force.

F. Composition and operation of the Board of Directors and any other administrative, managing or supervisory bodies or committees of the Company

F.1. Board of Directors

F.1.1. Role of the Board

The Board of Directors shall be competent to decide upon any issue pertaining to the administration, and management of the assets of the Company and the fulfilment of its corporate purpose, with the law and excluding the issues, responsible to decide is the General Meeting of the Shareholders. The Board of Directors effectively exercises its leadership role and manages its issues for the benefit of the Company and all the shareholders, ensuring that the Management implements the corporate strategy. In addition, ensures fair and equal treatment of all shareholders, including shareholders with minority rights and foreign shareholders.

F.1.2. Size and the composition of the Board

The Board of Directors composed as majority of non-executive members, and includes at least two (2) independent members in the sense of L.3016/2002.

According to the codified Articles of Association:

- The Company is administered by a Board of Directors consisting of minimum five (5) to maximum eleven (11) members that are elected by the Shareholders' General Meeting and that may, but need not be, Shareholders. The members may be either natural or legal persons. In the case that a legal person is Member of the Board of Directors, it is required to designate a natural person to exercise its powers as member of the Board of Directors. The elected members of the Board of Directors may be reelected. The General Meeting may, as and when it considers appropriate, elect Substitute members, up to a number that shall not surpass that of the ordinary members.
- The term of office of Board Directors members shall be five (5) years and may be extended until the first Ordinary General Meeting convened after the expiration of the said term, but cannot exceed six (6) years in total.
- Should there be, for any reason, any vacancies in one or more board positions, these shall be filled, by order of election, by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association.
- In the case that the filling of vacancies is not possible, whether because no substitute members have been elected by the General Meeting, or because their number is insufficient, the Board of Directors may either elect directors to fill in the vacancies, or carry on with the administration and representation of the Company with the remaining directors and without replacing the former members, on the condition that the remaining number of directors is superior to one half of the initial number of members as it was before the occurrence of the aforementioned events. That said, the number of Board members cannot, at any time, be inferior to three.
- Should there be an election for replacing members, these shall be elected by the Board of Directors upon decision of its remaining members, provided their number is not inferior to three (3), and shall stay in office for the remaining of the term of office of the member to be replaced. The decision pertaining to the election is subject to the publication formalities under article 7b of Codified Law 2190/1920, as in force from time to time, and shall be announced by the Board of Directors at the first subsequent General Meeting, which has the power to replace the elected members even if no such item is entered on the agenda.
- The election of directors in replacement of vacancies shall be compulsory when the number of the remaining directors is inferior or equal to half of the initial number of directors, as it was before the occurrence of one or more vacancies.
- In case one or more members of the Board of Directors resign, pass away, or lose membership in any way, the remaining members may continue the administration and representation of the Company without replacing the vacancies, on the condition that their number is superior to one half of the initial number of members before the occurrence of the aforementioned events. In any case, the number of Board members cannot, at any time, be inferior to three (3).
- In any case, the remaining members (even one) of the Board of Directors, regardless of their number,

may convene a General Meeting with the express purpose of electing a new Board of Directors.

Moreover:

- The Board of Directors shall elect, among its members and for its term of office, the Chair, Vice Chair and CEO of the Company. The offices of Chair or Vice Chair and CEO may be combined and held by the same person.
- Should the Chair be prevented from exercising their duties, these shall be performed by the Vice Chairman or by any Director appointed for this purpose. Should there be a vacancy in the Bureau of the Board; the Board shall elect a replacement at its first meeting after the said vacancy took place. The newly elected member of the Bureau shall remain in office for the remainder of the replaced director's

The Board of Directors consists of the following nine (9) members and its service is until 30.06.2016:

- Peter Kalantzis, Chairman, non executive member
- Evangelos Chronis, Vice Chairman, non executive member
- Odysseas Athanasiou, Chief Executive Officer, executive member
- Fotios Antonatos, non executive member
- Emmanuel Leonard Bussetil, non executive member
- George Gerardos, independent non executive member
- Theodora Zervou, non executive member
- Ulysses Kyriacopoulos, independent non executive member
- Achilleas Konstantakopoulos, independent non executive member

The Board of Directors CV's have been posted on the Company's website (www.lamda-development.net).

F.1.3. Meetings

The Board of Directors convenes at the Company's registered office whenever required by Law, the Articles of Association or the needs of the Company.

The Board of Directors may convene by teleconference in accordance with the provisions of article 20, paragraph 3a of Codified Law 2190/1920.

The Board of Directors may validly convene in places other that the Company's registered office, whether in Greece or abroad, provided that in the said meeting are attending in person or by proxy all its members and that none of them objects to its taking place or to the taking of decisions.

During the year 2013, were held forty three (44) meetings of the Board of Directors.

F.2. Board of Directors Committees

F.2.2. Audit Committee

The purpose of the Audit Committee is to assist the Company's Board of Directors in its duties with regard to financial information, internal audit and monitoring of the ordinary audit. All the members of the Audit Committee are nominated by the Company's Shareholders' General Meeting (paragraph 1, Article 37 of Law 3693/2008).

The Committee is composed of at least two non-executive members and of one independent member within the meaning of Article 4 of Law 3016/2002. The independent, non-executive member is required to have a proven sufficient knowledge of accounting and auditing.

The Audit Committee operates in accordance with a detailed Operating Regulation, which has been posted on the Company's website (www.lamda-development.net).

The Audit Committee consists of the following members:

- Peter Kalantzis
- Emmanuel Leonard Bussetil
- George Gerardos

F.2.2. Compensation & Nomination Committee

The Compensation & Nomination Planning Committee is to assist the Board of Directors in all matters concerning:

A. the general principles governing the management of the Company's human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors' executive members and the executives and employees of the Company, in accordance with the market conditions and the socio-economic context in general

B. the empowerment of the company's administrative centres, thus the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and approve the documented recommendations of CEO for hiring and promoting executives.

The members of the Compensation & Nomination Planning Committee are appointed by the Company's Board of Directors.

The Committee is composed of three (3) members, the majority of which are non-executive and independent, and of two (2) substitute members, one of which is substitute of the Chairman. The Chairman of the Compensation & Nomination Planning Committee and his substitute, are nominated by the Company's Board of Directors.

The Compensation & Nomination Committee operates in accordance with a detailed Operating Regulation, which has been posted on the Company's website (www.lamda-development.net).

The Compensation & Nomination Committee consists of the following members:

- - Fotios Antonatos, Chairman
- – Achilles Constantakopoulos, Member
- - Ulysses Kyriacopoulos, Member

Mr. Evangelos Chronis is appointed a substitute member of the Chairman and Mr. George Gerardos is appointed a substitute member of the Committee.

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 on 31.12.2013 amounts to euros 13.323.704,10 divided into 44.412.347 shares, with a nominal value of 0,30 euros each. All shares are listed for trading in the Securities Market of the Athens Exchange.

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 31.12.2013, 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	**Shares**	**Percentage of Share Capital 31.12.2013**
Consolidated Lamda Holdings S.A.	27.484.153	61,88%
Lamda Development S.A. Holding & Real Estate Development	3.497.599	7,88%
Bank Eurobank Ergasias S.A.	3.324.531	7,49%

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.

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 dated 23.06.2006, as it was modified according to the decision of the Annual General Meeting of the Shareholders dated 20.05.2010 and specialized further with the specific terms of the decision of the Board of Directors dated 01.11.2010, 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 Board of Directors, Company employees and its subsidiaries, in the sense of article 42e of L.2190/1920.

In execution to the abovementioned decisions:

a. 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.
b. The Board of Directors on its meeting on 17.12.2008 decided the distribution of certificates for the purchase of 507.750 shares to 27 beneficiaries. The exercise price per share amounts to 2.5 euros.
c. The Board of Directors on its meeting on 28.12.2009 decided the distribution of certificates for the purchase of 170.196 shares to 28 beneficiaries. The exercise price per share amounts to 4,5 euros.

d. The Board of Directors on its meeting on 27.12.2010 decided the distribution of certificates for the purchase of 173.250 shares to 28 beneficiaries. The exercise price per share amounts to 2.3 euros

Board date disposal certificates	Total number of certificates available	Exercise price (€)	Years which may be exercised	Options exercised - 1st year	Options exercised- 2nd year	Options exercised- 3rd year	Options exercised- 4th year	Options to be exercised	Rights expired and cannot be exercised
07.06.2007	138.490	7,5	2009, 2010, 2011, 2012	0	0	0	0	0	138.490
17.12.2008	507.750 (1)	2,5	2010, 2011, 2012, 2013	227.050	0	10.700	88.950	0	179.050
28.12.2009	170.196 (2)	4,5	2011, 2012, 2013, 2014	0	0	43.001	-	125.383 (4)	-
27.12.2010	173.250 (3)	2,3	2012, 2013, 2014, 2015	0	12.696	-	-	158.162 (4)	-

(1)Due to executive's resignation, the total rights number was 505.750
(2) Due to executive's resignation, the total rights number was 168.384
(3) Due to executive's resignation, the total rights number was 170.858
(4)Rights that remaining for exercising after executive's retirement

C. Pursuant to the provisions of article 16 of the C.L. 2190/1920, as it applies, subject to prior approval by the General Meeting of the Shareholders, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed the one tenth (1/10) of its paid-up share capital. The resolution of the General Meeting must also set the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the effective period of the approval granted, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration.

In implementation of the above provisions the Annual General Meeting of the Shareholders of the Company, on 18.06.2013 decided on the purchase of own shares at the time within a period of 24 months, i.e. from 18.06.2013 until 18.06.2015, up to 10% of its paid-up share capital, at a maximum purchase price of 14 euros per share and a minimum purchase price equal to the nominal value of the share, that is 0.30 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 18.06.2013 decided that the Company may proceed to the materialization of the abovementioned decision, as best served its interests.

The total number of own shares that the Company holds on 31.12.2013, amounts to 3.497.599 shares, with an average purchase price of euro 4,83 and represents 7.88% of its share capital.

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.

Independent Auditor's Report

To the Shareholders of "LAMDA Development S.A."

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of "LAMDA Development S.A." which comprise the separate and consolidated balance sheet as of 31 December 2013 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of "LAMDA Development S.A." and its subsidiaries as at December 31, 2013, 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.

Emphasis of matter

We draw attention to Note 2.1 of the financial statements that discloses various matters that the Group is facing and which also describes Management's assessment of these matters. These matters relate to uncertainties in which a potential negative outcome, whether cumulatively or individually, could have an impact on the Group's activities.

Our opinion is not qualified with respect to the matter described above.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 31 March 2014

Certified Public Accountant

PricewaterhouseCoopers S.A.

268, Kifissias Avenue

152 32 Athens

SOEL Reg. No. 113

Konstantinos Michalatos

SOEL Reg. No. 17701

Annual Consolidated Financial statements of year ended December 31, 2013

Statement of financial position

all amounts in € thousands	Note	GROUP 31.12.2013	GROUP 31.12.2012 (1)	COMPANY 31.12.2013	COMPANY 31.12.2012 (1)
ASSETS					
Non-current assets					
Investment property	6	594.959	550.863	1.840	1.840
Property, plant and equipment	7	11.732	38.875	235	348
Investments in subsidiaries and joint ventures	9	-	-	249.141	217.037
Investments in associates	9	4.121	4.854	2.043	2.028
Deferred income tax assets	21	7.032	5.434	1.076	1.372
Trade and other receivables	12	19.892	14.851	88.594	84.537
		637.737	**614.878**	**342.929**	**307.162**
Current assets					
Inventories	10	125.678	130.194	-	-
Trade and other receivables	12	33.547	29.202	26.358	18.796
Current income tax assets		4.604	3.637	3.794	3.381
Cash and cash equivalents	13	42.864	116.387	7.597	78.441
		206.693	**279.420**	**37.750**	**100.618**
Total assets		**844.430**	**894.298**	**380.679**	**407.780**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	14	219.953	219.591	219.953	219.591
Other reserves	15	11.439	11.718	7.145	7.508
Retained earnings/(Accumulated losses)		18.246	64.999	(43.969)	(24.619)
Equity attributable to equity holders of the parent		**249.638**	**296.308**	**183.129**	**202.479**
Non-controlling interest		(83)	4.699	-	-
Total equity		**249.555**	**301.007**	**183.129**	**202.479**
LIABILITIES					
Non-current liabilities					
Borrowings	17	240.078	427.091	66.350	165.150
Deferred income tax liabilities	21	53.803	46.218	-	-
Derivative financial instruments	20	-	1.680	-	-
Retirement benefit obligations	18	421	435	379	335
Other non-current liabilities	19	9.025	10.775	19.000	15.000
		303.326	**486.199**	**85.729**	**180.485**
Current liabilities					
Trade and other payables	19	35.389	34.159	13.020	11.558
Derivative financial instruments	20	542	283	-	283
Current income tax liabilities		1.191	681	-	-
Borrowings	17	254.426	71.970	98.800	12.975
		291.549	**107.093**	**111.820**	**24.816**
Total liabilities		**594.875**	**593.293**	**197.550**	**205.301**
Total equity and liabilities		**844.430**	**894.298**	**380.679**	**407.780**

(1) Adjusted amounts due to the revised IAS 19 “Employee benefits” (see note 34)

These consolidated and Company financial statements of LAMDA Development SA for the year ended December 31, 2013 have been approved for issue by the Company’s Board of Directors on March 31, 2014.

The notes on pages 31 to 91 are an integral part of these financial statements.

Income Statement

Continuing operations *(all amounts in € thousands)*	Note	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012 (1)	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012 (1)
Revenue	22	64.489	71.394	1.408	1.296
Dividends		-	3.667	4.756	8.868
Net loss from fair value adjustment on investment property	6	(38.581)	(56.400)	-	-
Provision for inventory impairment	10	(4.833)	(4.672)	-	-
Cost of inventory sales		(227)	(272)	-	-
Other direct property operating expenses	23	(21.183)	(29.527)	-	-
Employee benefits expense	25	(8.505)	(8.547)	(6.091)	(5.895)
Depreciation of property, plant, equipment and intangible assets	7, 8	(1.552)	(2.200)	(147)	(163)
Operating lease payments		(2.585)	(7.480)	(1.045)	(1.044)
Profits from sale of participations in associates		175	-	-	-
Recycling of the Afs reserve to the P&L account		-	(44.038)	-	(44.038)
Profit from sale of available-for-sale financial assets		-	8.327	-	8.327
Provision for impairment of participations	9	-	(9.912)	(13.500)	(5.303)
Other operating income / (expenses) - net	24	(7.175)	(7.474)	(1.794)	(1.669)
Operating loss		**(19.977)**	**(87.132)**	**(16.412)**	**(39.621)**
Finance income	26	2.439	3.526	2.366	3.562
Finance costs	26	(22.639)	(24.588)	(8.407)	(10.078)
Share in profit of associates	9	(102)	657	-	-
Loss before income tax		**(40.280)**	**(107.537)**	**(22.454)**	**(46.137)**
Income tax expense	27	(9.049)	8.255	(1.652)	(107)
Loss for the year		**(49.329)**	**(99.283)**	**(24.106)**	**(46.244)**
Discontinued operations					
Profit for the year from discontinued operations	29	698	1.048	4.085	-
Loss for the year		**(48.631)**	**(98.234)**	**(20.021)**	**(46.244)**
Loss attributable to:					
Equity holders of the parent		(48.599)	(91.875)	(20.021)	(46.244)
Non-controlling interest		(32)	(6.359)	-	-
		(48.631)	**(98.234)**	**(20.021)**	**(46.244)**
Losses per share from continuing operations attributable to the equity holders of the Company during the year *(expressed in € per share)*					
Basic losses per share	33	(1,23)	(2,30)	(0,60)	(1,15)
Diluted losses per share	33	(1,22)	(2,30)	(0,60)	(1,15)
Profit per share from discontinued operations attributable to the equity holders of the Company during the year *(expressed in € per share)*					
Basic losses per share	33	0,02	0,02	0,10	0,00
Diluted losses per share	33	0,02	0,02	0,10	0,00

(1) Adjusted amounts due to the revised IAS 19 “Employee benefits” (see note 34)

The notes on pages 31 to 91 are an integral part of these financial statements.

Statement of comprehensive income

Continuing operations *(all amounts in € thousands)*	Note	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012 (1)	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012 (1)
Loss for the year from continuing operations		**(49.329)**	**(99.283)**	**(24.106)**	**(46.244)**
Profit for the year from discontinued operations		**698**	**1.048**	**4.085**	**-**
Recycling of the Afs reserve to the P&L account		-	44.038	-	44.038
Cash flow hedges, after tax (2)	15	1.169	628	226	479
Currency translation differences	15	(150)	(86)	-	-
Items that may be subsequently reclassified to profit or loss		**1.020**	**44.580**	**226**	**44.516**
Actuarial gains/(losses), after tax (2)	15	30	(36)	(6)	(29)
Items that will not be subsequently reclassified to profit or loss		**30**	**(36)**	**(6)**	**(29)**
Other comprehensive income for the year		**1.050**	**44.544**	**221**	**44.487**
Total comprehensive income for the year		**(47.580)**	**(53.690)**	**(19.800)**	**(1.757)**
Loss attributable to:					
Equity holders of the parent		(47.550)	(47.331)	(19.800)	(1.757)
Non-controlling interest		(31)	(6.359)	-	-
		(47.580)	**(53.690)**	**(19.800)**	**(1.757)**
Total comprehensive income/(loss) attributable to equity holders of the parent					
Continuing operations		(48.247)	(48.379)	(23.885)	(1.757)
Discontinued operations		698	1.048	4.085	-
		(47.550)	**(47.331)**	**(19.800)**	**(1.757)**

(1) Adjusted amounts due to the revised IAS 19 "Employee benefits" (see note 34)

(2) The impact from deferred tax is €-251k (2012: €-56k) from changes in cash flow hedhges at Group level and €-56k (2012: €-19k) at Company level, whereas the impact from deferred tax from actuarial gains/(losses) is €-22k (2012: €-11k) at Group level and €-16k (2012: €8k) at Company level.

The notes on pages 31 to 91 are an integral part of these financial statements.

Statement of changes in equity

all amounts in € thousands	Note	Share capital	Other reserves	Retained earnings / (Accumulated losses)	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the parent					
GROUP							
Balance at 1 January 2012 [1]		**220.220**	**(33.287)**	**156.779**	**343.712**	**11.058**	**354.769**
Comprehensive income :							
Loss for the year		-	-	(91.875)	(91.875)	(6.359)	(98.234)
Other comprehensive income		-	44.544	-	44.544	-	44.544
Total comprehensive income for 2012		**-**	**44.544**	**(91.875)**	**(47.331)**	**(6.359)**	**(53.690)**
Transactions with owners:							
Increase in share capital due to employees share option scheme	14, 15	24	(450)	1.006	580	-	580
Ordinary reserves	15	-	910	(910)	-	-	-
Purchase of treasury shares	14	(653)	-	-	(653)	-	(653)
		(629)	460	96	(72)	-	(72)
Balance at 31 December 2012 [1]		**219.591**	**11.718**	**64.999**	**296.308**	**4.699**	**301.007**
Balance at 1 January 2013		**219.591**	**11.718**	**64.999**	**296.308**	**4.699**	**301.007**
Comprehensive income :							
Loss for the year		-	-	(48.599)	(48.599)	(32)	(48.631)
Other comprehensive income		-	**1.050**	-	1.050	1	1.051
Total comprehensive income for 2013		**-**	**1.050**	**(48.599)**	**(47.550)**	**(31)**	**(47.580)**
Transactions with owners:							
Increase in share capital due to employees share option scheme	14, 15	435	(584)	670	522	-	522
Disposal / change in participation	9	-	(283)	714	431	(4.455)	(4.025)
Increase/(decrease) of share capital in subsidiaries	9	-	-	-	-	(296)	(296)
Other reserves	15	-	(462)	462	-	-	-
Purchase of treasury shares	14	(73)	-	-	(73)	-	(73)
		362	(1.329)	1.846	880	(4.751)	(3.872)
Balance at 31 December 2013		**219.953**	**11.439**	**18.246**	**249.638**	**(83)**	**249.555**

(1) Adjusted amounts due to the revised IAS 19 “Employee benefits” (see note 34)

The notes on pages 31 to 91 are an integral part of these financial statements.

Statement of changes in equity

all amounts in € thousands	Note	Share capital	Other reserves	Retained earnings / (Accumulated losses)	Total equity
COMPANY					
Balance at 1 January 2012 (1)		**220.220**	**(36.529)**	**20.618**	**204.308**
Comprehensive income :			**-**		-
Loss for the year		-	-	(46.244)	(46.244)
Other comprehensive income		-	44.487	-	44.487
Total comprehensive income for 2012		**-**	**44.487**	**(46.244)**	**(1.757)**
Transactions with owners:					
Increase in share capital due to employees share option scheme	14	24	(450)	1.006	580
Purchase of treasury shares	14	(653)	-	-	(653)
		(629)	(450)	1.006	(72)
Balance at 31 December 2012 (1)		**219.591**	**7.508**	**(24.619)**	**202.479**
Balance at 1 January 2013		**219.591**	**7.508**	**(24.619)**	**202.479**
Comprehensive income :					
Loss for the year		-	-	(20.021)	(20.021)
Other comprehensive income		-	221	-	221
Total comprehensive income for 2013		**-**	**221**	**(20.021)**	**(19.800)**
Transactions with owners:					
Increase in share capital due to employees share option scheme	14	435	(584)	670	522
Purchase of treasury shares	14	(73)	-	-	(73)
		362	(584)	670	449
Balance at 31 December 2013		**219.953**	**7.145**	**(43.969)**	**183.129**

(1) Adjusted amounts due to the revised IAS 19 “Employee benefits” (see note 34)

The notes on pages 31 to 91 are an integral part of these financial statements.

Cash Flow Statement

all amounts in € thousands	Note	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Cash flows from operating activities					
Cash generated from operations	28	25.830	19.893	(7.187)	(7.567)
Interest paid		(21.470)	(24.763)	(7.693)	(10.394)
Income tax paid		(4.438)	(1.379)	(565)	1.934
Net cash generated from operating activities		**(78)**	**(6.248)**	**(15.446)**	**(16.028)**
Cash flows from investing activities					
Purchases of ppe investment property	6,7	(81.821)	(4.322)	(34)	(39)
Proceeds from sale of ppe and investment property		-	280	-	-
Dividends received		536	4.157	3.567	7.568
Loans given to related parties	12	-	(7.463)	-	-
Interest received		1.554	3.855	1.238	2.276
Proceeds from loan repayments granted to related parties		-	-	-	-
Sale of available-for-sale financial assets		-	42.596	-	42.596
Increase / (decrease) in share capital of participations	9	1.178	(181)	(45.667)	(3.398)
Proceeds from disposal of participations	9	1.208	-	1.208	-
Cash flows from investing activities from discontinued opera	29	(302)	(87)	-	-
Net cash used in investing activities		**(77.647)**	**38.836**	**(39.689)**	**49.002**
Cash flows from financing activities					
Increase in share capital due to employees share option scheme	14	435	27	435	27
Purchase of treasury shares	14	(73)	(653)	(73)	(653)
Costs of share capital increase		-	(3)	-	(3)
Dividends paid to the owners of the parent company		(2)	-	(2)	-
Borrowings' issuance costs	17	(1.155)	-	(96)	-
Borrowings received	17,12	40.000	102.500	4.000	110.000
Repayments of borrowings	17	(24.311)	(147.693)	(12.975)	(118.875)
Repayments of capital repayments of finance leases	17	(973)	(946)	-	-
Cash flows from financing activities from discontinued opera	29	(59)	(239)	-	-
Net cash used in financing activities		**13.862**	**(47.006)**	**(8.710)**	**(9.504)**
Net increase / (decrease) in cash and cash equivalents		**(63.863)**	**(14.418)**	**(63.845)**	**23.470**
Cash and cash equivalents at start of the year	13	116.387	131.331	78.441	54.971
Restricted cash restated to receivables	12	(7.000)	-	(7.000)	-
Change in cash and cash equivalents as at start of the year due to the disposal of interest held in participation		(1.554)	-	-	-
Cash and cash equivalents in discontinued operations during the disposal		(1.106)	-	-	-
Cash and cash equivalents at end of period from discontinued operations		-	(526)	-	-
Cash and cash equivalents at end of the year	13	**42.864**	**116.387**	**7.597**	**78.441**

(1) Adjusted amounts due to the revised IAS 19 “Employee benefits” (see note 34)

(2) Adjusted amounts due to the elements of the discontinued operations according to the IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” (see note 29)

The notes on pages 31 to 91 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") for the year ended December 31, 2013. 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, as well as 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 37A Kifissias Ave., 15123, Maroussi with the Number in the General Electronic Commercial Registry: 3379701000 (former Register of Societes Anonymes Number: 3039/06/B/86/28) 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.

At 5/2/2013, the acquirement of the usufruct upon the right of exploitation for 90 years of the International Broadcasting Centre (IBC) was finalized, after the signing of the respective contract between the Company's 100% subsidiary LAMDA DOMI SA and the Hellenic Republic Asset Development Fund (HRADF) and the payment by the former of the contractual part of the price, amounting to €81m.

It is noted that the Company on 20/5/2013 transferred 80% of the share capital that held at LAMDA Hellix S.A., for a total consideration price of €4.1m. The buyer is LAMDA HELLIX DATA CENTERS LIMITED, company controlled by the minority shareholders. The accumulated return of the five year period investment amounts to 330%. The sale is consistent with the Company's strategy to focus its activities on the real estate development and property management sectors. Due to this fact, the consolidated results for current as well as the comparative period have been adjusted for comparative purposes whereas the profits of the above mentioned subsidiary's LAMDA Hellix S.A. are classified as profits from discontinued operations.

Additionally, the Company in the frame of its strategic cooperation with DOGUS Group for investing in marine projects signed a cooperation agreement with D-Marine Investments Holding BV for the formation of a 50%-50% joint venture company paying the amount of €30k. In April 2013, LAMDA Development SA contributed to the joint venture company with the shares it holds in LAMDA Flisvos Holding SA whereas D-Marine Investments Holding B.V., member of DOGUS Groupm, participated in a share capital increase with an equal amount in cash. As a result, the Group following this transaction loses the control and will have the joint control of LAMDA Flisvos Holding SA with D-Marine Investments Holding B.V.

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

These financial statements have been approved for issue by the Board of Directors on March 31, 2014 and are subject to the final approval of LAMDA Development SA's General Assembly.

2. Summary of significant accounting policies

2.1. Basis of preparation

These Company and consolidated financial statements have been prepared in accordance with 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 present the financial position, results of operations and cash flows on a going concern basis which assumes that the Company has plans in place to avoid material disruptions to its operations and available financial resources to meet its operating requirements. In this respect Management has concluded that (a) the going concern basis of preparation of these financial statements is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies.

Note 3, dealing with "Financial risk management" provides information on the Group's overall risk management approach as well as the general financial risks that the Group faces. In addition to the overall risk management approach and the general financial risks, the following specific matters should be noted that may impact the operations of the Group in the foreseeable future.

- **Hellinikon**

Lamda Development S.A. was the only bidder that submitted to the Hellenic Republic Asset Development Fund a binding offer regarding the acquisition of 100% of the share capital of the company "Helliniko A.E". Lamda Development's offer envisages an estimated investment of approximately Euro 7 billion for the development of the site at Hellenikon, which will be the largest private project that has taken place in Greece and will result in significant returns being generated for the Greek economy and all stakeholders. Once the project is awarded, Management anticipates that the Group will be supported both financially and operationally by International Funds who are active in the real estate sector. In this respect the Group is already in discussions with relevant parties in anticipation of the awarding of the bid.

The offer process has two phases, namely the technical phase and the financial phase. With respect to the technical phase, the Hellenic Republic Asset Development Fund, on 13 March 2014, accepted the technical offer of Lamda Development based on the recommendation of its technical advisors, according to which the technical bid satisfies the requirements of the tender and is in principle compliant with the legal framework for the development of the site at Hellinikon.

Following the submission of the improved offer by the Company, the Hellenic Republic Asset Development Fund announced on 31 March 2014 that the bidding process concluded in favour of the Company. The completion of the transaction is subject to the approval of the Court of Auditors of the Hellenic State.

- **Bank loans**

At 31 December 2013, existing bank loans of the Company and certain of its Group entities amounting to approximately Euro 240 million have been reflected as currently liabilities on the basis that these will contractually become payable in the period between May 2014 and December 2014, resulting in the current liabilities of the Group exceeding its current assets by the amount of Euro 85 million as at 31 December 2014.

Of these bank loans, the most significant comprise the bond loan of the Company amounting to Euro 98.8 million, the bond loan of Lamda Olympian Village S.A. of which the Group's proportionate share amounts to Euro 112.4 million, and the bond loan of Singidunum S.A. of which the Group's proportionate share amounts to Euro 26.3 million.

With respect to the refinancing of the Group's bank loans, Management is at an advanced stage of discussions with all its finance providers and believes that the bank loans will be refinanced successfully prior to them falling due. Specifically with respect to the Company's bond loan amounting to Euro 97 million, the Company has received signed confirmations from all bondholders of their intention to refinance the bond loan subject to the agreement of the refinancing terms and conditions. In respect of the bond loan of Singidunum S.A., amounting to Euro 26.3 million, the company is in the process of agreeing the refinancing term sheet that, when concluded, will result in the term of the bond loan to be extended until 23 July 2018.

The factors above have been taken into account by Management when preparing the financial statements for the year ended 31 December 2013 and on the basis of its assessment of these matters and the fact that the Group's major shareholder continues to positively support the Group in all aspects of its operations, Management has concluded that the Group will meet all its financing requirements for the foreseeable future.

The consolidated financial statements have prepared under the historical cost convention, except for the investment property, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. In addition, 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2. New standards, amendments to standards and interpretations

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

Amendments to standards that form part of the IASB's 2011 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project.

IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

IAS 34, 'Interim financial reporting'

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

Standards and Interpretations effective for periods beginning on or after 1 January 2014

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39" ((effective for annual periods beginning on or after 1 January 2015)

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2015)

The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows.

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

This standard becomes effective for annual periods beginning on or after 1 January 2014. The application of this new standard will impact the financial position of the Group by eliminating proportionate consolidation of the joint ventures which are disclosed in note 9. By implementing the new standard, the Group will account for joint ventures on an equity basis. Specifically, the impact of IFRS 11 on the current financial year (which will be the comparative financial year in the financial statements as at 31 December 2014), is estimated to be a reduction in investment property by €207m, a reduction in inventories by €42m, a reduction in borrowings by €144m and an increase in investments in joint ventures by €109m. There will be no significant impact on the Group's net equity or its net loss for the year.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "*Consolidated and Separate Financial Statements*". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "*Investments in Associates*" and IAS 31 "*Interests in Joint Ventures*" regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "*Investments in Associates and Joint Ventures*" replaces IAS 28 "*Investments in Associates*". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance" (effective for annual periods beginning on or after 1 January 2014)

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (effective for annual periods beginning on or after 1 January 2014)

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014)

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 "Business combinations"

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 "Operating segments"

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 "Related party disclosures"

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 "Fair value measurement"

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 "Investment property"

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

IFRS 1 "First-time adoption of International Financial Reporting Standards"

The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

There are no other new standards or amendments to standards, which are obligatory for financial years that begin during current year.

2.3. Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exerciable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases.

The group applies the acquisition to account for business combinations. The consideration transferred for the acquisition of the subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. 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 as negative goodwill. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within 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 where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(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. Under the equity method, the investment is 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 post-acquisition profit or loss 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 in associates. 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.

Furthermore, the carrying value of associates is adjusted by any cumulative impairment losses. When the cumulative impairment losses attributable to the Group exceede the carrying value of the investment, the carrying value is adjusted to zero, except in the situation where the Group has created an obligation or has paid amounts on behalf of the associate

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. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's management and are disclosed in the financial statements based on this internal allocation.

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 Euro, which is the Group's 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 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 the group entities (none of which has the currency of a hyper-inflationary 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 rate of the dates of the transactions) and

iii. All resulting exchange differences are recognised in a separate component of equity.

During consolidation procedure, 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, property held under finance leases and property that is being constructed to be developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (see note 2.19). Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

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. 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.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measured.

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 leasehold land classified as investment property. Others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed or its use has been terminated and no cash flow is expected from its disposal.

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 subsequent accounting purposes.

If an item of owner-occupied property 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. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity.

In general, where an investment property undergoes a change in use it is transferred evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

(b) commencement of development with a view to sale, for a transfer from investment property to inventory;

(c) the expiration of owner-occupied property, for a transfer from owner-occupied property to investment property or

(d) commencement of an operating lease to a third party, for a transfer from inventories to investment property.

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 as well as possible borrowing costs.

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.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate their 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (impairment loss) (see note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.8. Intangible Assets

(a) 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 non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment and whenever events or changes in circumstances 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

2.10.1 Classification

The Group classifies its financial assets at loans and receivables, available-for-sale and investment in subsidiaries. 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) Loans and receivables

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

(b) 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.

2.10.2 Recognition and measurement

Regular 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 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. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

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. In case of sale or impairment of the available-for-sale financial assets, the accumulated fair value adjustments are transferred to the income statement.

2.10.3 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets that is measured for impairment (since there is objective evidence) is assets at their carrying amount or according to the equity method (participations in subsidiaries and associates), assets at amortized cost (borrowings and receivables) and available-for-sale investments.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financialassets in the portfolio, including:

(a) Adverse changes in the payment status of borrowers in the portfolio; and

(b) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The recoverable amount of the participations in subsidiaries and associates is defined in a similar to the non-financial assets way (see note 2.9).

2.11. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.12. Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge the risks related to future rate 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 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) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge).

At 31 December 2013 the Group does not own fair value hedge.

The Group has contractual agreements for certain derivative instruments that designates 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) within "Other operating income / (expenses) – net". 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).

Respectively, the Group has contractual agreements for interest rate swaps which are designated and qualify as fair value hedges in the income statement. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within "finance income / (cost) net". The gain or loss relating to the ineffective portion is recognized in the income statement within "Other operating income / (expenses) - net".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

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".

2.13. Inventories

The Group's inventories and mainly land, evidenced by the commencement of development with a view to sale are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses. Write offs and impairments are recognised as losses in the income statement when they arise.

Borrowing costs that refer directly to the construction or production of inventories are capitalized as part of the inventory cost (note 2.19).

2.14. Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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

2.15. 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. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.16. Share Capital

Ordinary shares are classified as equity. The share capital represents the value of the company's shares that have been issued and are in circulation.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the company's equity holders until the shares are cancelled.

2.17. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18. 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.

2.19. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Also, the respective borrowing cost is added to the investment property and to the inventory.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.20. Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. Management periodically evaluates position in relation to the tax authorities and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, 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. 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 nor loss. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability 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.

Deferred income tax assets are recognized for temporary differences arising on investments in subsidiaries 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.

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 tax assets and liabilities relate to income taxes levied by the same taxation authority or different taxable entities where there is an intention to settle the balances on a net basis.

2.21. 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.

(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.

2.22. 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.

2.23. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when 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 (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.

2.24. 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, net of value added tax (VAT) and rebates. 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 recognized 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.

2.25. Leases

(a) Group company as the lessee

Leases of property, plant and equipment and investment property 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 2.24 describe the accounting principle of revenue recognition from leases.

2.26. 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.

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 programme 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 Greece and Balkan countries and is exposed to foreign exchange risk arising from various currency exposures. The major part of the Group's transactions is denominated in Euro. 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 and Serbia. Specifically, for Bulgaria the local currency is locked against euro, and therefore the Group does not have a foreign exchange risk.

ii) Price risk

At 31.12.2013 the Group is not exposed to equity securities price risk since after the sale of all the shares that was owned in the listed company Eurobank Properties, the Group does not held any other equity securities that are clarified as available for sale.

iii) Cash flow and fair value interest rate risk

The Group's operating cash flows' exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings which are contracted in floating rates based on Euribor. The operating cash available for investment and the interest-bearing receivables mainly depend on Euro interest rates.

The group analyses its interest rate exposure and manages the interest rate risk through alternative financing and hedging. Specifically, in order for the Group to be covered in long-term basis by the changes in interest, it manages the interest rate risk by using either short-term interest rate swaps for part of the borrowings with long-term regarding borrowings with period more than 1 year or by contracting borrowings with fixed interest.

At the end of the fiscal year, approximately 31% (2012: 41%) of total borrowings was hedged in fixed rate financial products in the amount of €154m (2012: €206m). Group policy is to maintain covering most part of the interest rate risk of the borrowings relating to the investment property financing.

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, 2013 an increase by 0,5% on the Group's borrowings floating interest rate at functional currency, would lead to an increase on floating rate borrowings interest expenses by €1,7m at Group level and by €0,8m at Company level on profit before tax for the year.

(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.

The deposits and cash of the Group and the Company are rated in Moody's.

At December 31, 2013 and December 31, 2012 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 11.

(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 sufficient and available cash resourses.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

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

all amounts in € thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2013				
Borrowings	254.426	23.559	191.804	50.339
Interest rate swaps - cash flow hedges	542	-	-	-
Trade and other payables	14.287	9.025	-	-
	269.255	**32.584**	**191.804**	**50.339**

all amounts in € thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2012				
Borrowings	71.970	276.527	104.255	66.468
Interest rate swaps - cash flow hedges	283	1.680	-	-
Trade and other payables	12.712	10.775	-	-
	84.966	**288.982**	**104.255**	**66.469**

COMPANY

all amounts in € thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2013				
Borrowings	98.800	4.603	65.992	-
Interest rate swaps - cash flow hedges	-	-	-	-
Trade and other payables	1.665	19.000	-	-
	100.465	**23.603**	**65.992**	**-**

all amounts in € thousands	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2012				
Borrowings	12.975	104.201	70.493	-
Interest rate swaps - cash flow hedges	283	-	-	-
Trade and other payables	894	15.000	-	-
	14.152	**119.201**	**70.493**	**-**

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 2013, as well as in 2012, the Group and Company's strategy was to maintain the gearing ratio not to exceed 60% in relation to Loan to Value rate. The gearing ratios at December 31, 2013 and December 31, 2012 respectively were as follows:

all amounts in € thousands

GROUP	31.12.2013	31.12.2012
Total borrowings (note 17)	494.504	499.062
Less: cash and cash equivalents (note 13)	(42.864)	(116.387)
Net debt	**451.639**	**382.674**
Total equity	249.555	301.007
Total assets	**701.195**	**683.681**
Gearing ratio	**64%**	**56%**

COMPANY	31.12.2013	31.12.2012
Total borrowings (note 17)	165.150	178.125
Less: cash and cash equivalents (note 13)	(7.597)	(78.441)
Net debt	**157.553**	**99.684**
Total equity	183.129	202.479
Total assets	**340.682**	**302.163**
Gearing ratio	**46%**	**33%**

3.3 Fair value estimation

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of the financial instruments by category are disclosed in note 11 as well as the fair value hierarchy levels.

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 property

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

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

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

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

(b) Income taxes

The Group is subject to various legislations regarding income taxes. In order to determine such provision the Group should have 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.

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) Marine services

Management monitors the operating results of the divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, operating results and EBITDA (Earnings before interest, tax, depreciation and amortization). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segment's results. Group financing, including finance costs and finance income, as well as income taxes are measured on a group basis and are included in corporate segment without being allocated to the profit generating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The segment results for the year ended December 31, 2013 were as follows:

Continuing operations (all amounts in € thousands)	Real estate Greece	Real estate Balkans	Marine Services Greece	Total
Total revenue	61.553	36	2.922	64.510
Inter-segment revenue	(21)	-	-	(21)
Revenue from third parties	61.532	36	2.922	64.489
Net losses from fair value adjustment on investment property and invento	(39.291)	(4.124)	-	(43.414)
EBITDA	(8.456)	(1.710)	(287)	(10.453)

The segment results for the year ended December 31, 2012 were as follows:

Continuing operations (all amounts in € thousands)	Real estate Greece	Real estate Balkans	Marine Services Greece	Total
Total revenue	61.737	72	9.660	71.469
Inter-segment revenue	(75)	-	-	(75)
Revenue from third parties	61.662	72	9.660	71.394
Net losses from fair value adjustment on investment property and invento	(57.616)	(3.456)	-	(61.072)
EBITDA	(24.366)	(221)	(10.816)	(35.403)

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

31 December 2013	Real estate Greece	Real estate Balkans	Marine Services Greece	Total
Assets per segment	714.061	121.520	8.850	844.431
Liabilities per segment	559.759	26.807	8.309	594.875

31 December 2012	Real estate Greece	Real estate Balkans	Marine Services Greece	Total
Assets per segment	738.980	124.751	30.567	894.299
Liabilities per segment	539.998	27.186	26.109	593.293

A reconciliation of the Group's total adjusted EBITDA to total profit after income tax is provided as follows:

Continuing operations (all amounts in € thousands)

Adjusted EBITDA for reportable segments	**31.12.2013**	**31.12.2012**
EBITDA	(10.453)	(35.403)
Corporate overheads	(7.972)	(7.574)
Depreciation	(1.552)	(2.200)
Dividends	-	3.667
Accumulated loss from revaluation of available-for-sale financial assets	-	(44.038)
Provision for participation impairment	-	(9.912)
Profit from sale of available-for-sale financial assets	-	8.327
Share in profit of associates	(102)	657
Finance income	2.439	3.526
Finance costs	(22.639)	(24.588)
Loss before income tax	**(40.280)**	**(107.537)**
Income tax expense	(9.049)	8.255
Loss for the year	**(49.329)**	**(99.283)**

6. Investment property

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Balance at 1 January 2013	550.863	603.804	1.840	1.840
Subsequent expenditure on investment property / Transfer from ppe	1.678	2.455	-	-
Usufruct upon the right of exploitation of IBC (1)	81.000	-	-	-
Transfer from inventories	-	1.003	-	-
Net loss from fair value adjustment on investment property	(38.581)	(56.400)	-	-
Balance at 31 December 2013	**594.959**	**550.863**	**1.840**	**1.840**

(1) On 5.2.2013, the process was finalised for the acquisition of the usufruct for the right of exploitation for 90 years of the International Broadcasting Centre (IBC), following the signing of the respective contract between LAMDA DOMI SA and the Hellenic Republic Asset Development Fund (HRADF) and the payment by the former of the contractual price, amounting to € 81 million. The price was financed by equity amounting to €41m and a syndicated bond loan amounting to €40m granted by the following banking institutions: Eurobank Ergasias, Alpha Bank, National Bank of Greece. It is also noted that the contract foresees, subject to the achievement of certain future conditions, an additional payment to HRADF that is mainly based on improved future credit ratings. Currently neither the amount of the additional consideration nor the period that it will be paid can be estimated and therefore the Management has not proceeded to recognition this consideration.

The investment property includes property under finance lease that amounts to €7,6m and property under operating lease that amounts to €325m.

With respect to the associate entity "LAMDA Olympia Village SA" and its property upon which "The Mall Athens" is situated, there exist securities and mortgages amounting to €336m (note 31). With respect to the Group's other investment property securitites and mortgages amount to € 189m.

The estimation of the fair value for all investment properties was determined by taking into account the Group's ability to achieve the highest and best use of its investment properties, and assessing this based on the use of each property which is naturally possible, which is legally permitted and the opportunity cost of investment by the Group.

The valuation of our investment assets is conducted every semester from independent chartered surveyors with the Discounted Cash Flows (DCF) method. The Cash Flows are primarily derived from reliable evidence and estimations of future inflows / outflows from the applicable commercial cooperation agreements and/or other contracts. In addition, if feasible, the Cash Flows are also based on external data such as current rental rates of similar assets in nearby location and of similar status using discount rates that are linked to each tenant's sector (food and restaurants, electronic appliances, apparel etc) as well as to the current market evaluation in relation to the uncertainty of the magnitude and the time that the cash flows will be materialized. In some cases, if necessary, the valuation is based on the Comparative Method.

More precisely, 89% of the total fair market value of the Group's investment assets is related to its Shopping Centers and 4% to its Office Buildings. For both type of assets, the fair market value has been derived using the DCF approach with the following parameters:

- As far as the Shopping Centers are concerned, The Mall Athens has a freehold status, Mediterranean Cosmos is under a lease that expires in Q4 2035 and Golden Hall, following the recent developments described above has a 90 year period. As far as the office buildings are concerned, they are owned by the Group.

- In short, the yields according to the latest valuations are as follows:

	Yield
Malls	
The Mall	7,3%
Mediterranean Cosmos	10,0%
Golden Hall	8,5%
Office buildings	
Cecil, Kefalari	9,0%
Kronos Building, Maroussi	8,9%

- In relation to the annual remuneration that every tenant of the Malls pays: (Base Remuneration – fixed remuneration that derives from the contract), it is adjusted annually according to the CPI plus a slight indexation which is different between the tenants. The average CPI that is used for the whole period is 2%.

At the below chart, two basic scenarios are disclosed in relation to the impact on the valutions of the following investment properties that an increase of the yields by 25 basis points (+ 0,25%) or a decrease in EBITDA by €1m per Mall.

Interest held in the Group	**Yield**	**EBITDA / NOI**
all amounts in € thousands	+ 0,25%	- €1m.
The Mall	6,9	6,8
Mediterranean Cosmos	3,8	10,1
Golden Hall	5,7	11,7
Malls	**16,5**	**28,6**
Cecil, Κεφαλάρι	0,7	
Kronos Building, Μαρούσι	0,2	
Office buildings	**0,9**	
Total	**17,4**	**28,6**

7. Property, plant and equipment

all amounts in € thousands	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Software	Assets under construction	Total
GROUP - Cost						
1 January 2012	**37.433**	**12.499**	**5.667**	**2.509**	**1.864**	**59.972**
Additions	564	312	254	34	2.175	3.339
Disposals	(210)	-	(7)	-	-	(217)
Reclassifications	-	2.044	47	-	(2.092)	-
31 December 2012	**37.787**	**14.856**	**5.962**	**2.543**	**1.946**	**63.095**

1 January 2013	**37.787**	**14.856**	**5.962**	**2.543**	**1.947**	**63.095**
Additions	122	8	85	70	1.054	1.338
Disposals / Write-offs	-	(6)	(8)	-	-	(13)
Derecognition of ppe due to change in interest held in participations	(21.454)	(6.416)	(196)	-	-	(28.066)
Decrease due to disposal of participation	(7.536)	(343)	(1.212)	(91)	-	(9.183)
Transfer to investment property	-	-	-	-	(1.678)	(1.678)
Reclassifications	-	-	948	-	(948)	-
31 December 2013	**8.918**	**8.099**	**5.580**	**2.521**	**375**	**25.493**
Accumulated depreciation						
1 January 2012	**(5.411)**	**(4.295)**	**(3.667)**	**(2.471)**	**-**	**(15.843)**
Depreciation charge	(1.181)	(483)	(824)	(49)	-	(2.537)
Disposals	39	-	5	-	-	44
Provision for impairment of participation (note 9)	(5.883)	-	-	-	-	(5.883)
31 December 2012	**(12.436)**	**(4.778)**	**(4.485)**	**(2.520)**	**-**	**(24.219)**
1 January 2013	**(12.436)**	**(4.778)**	**(4.485)**	**(2.520)**	**-**	**(24.219)**
Depreciation charge	(250)	(473)	(796)	(33)	-	(1.552)
Disposals / Write-offs	-	4	1	-	-	5
Derecognition of ppe due to change in interest held in participations	7.692	1.245	152	-	-	9.089
Decrease due to disposal of participation	1.688	145	1.014	71	-	2.918
31 December 2013	**(3.306)**	**(3.857)**	**(4.115)**	**(2.483)**	**-**	**(13.760)**
Closing net book amount at 31 December 2012	**25.351**	**10.078**	**1.477**	**23**	**1.946**	**38.875**
Closing net book amount at 31 December 2013	**5.613**	**4.243**	**1.465**	**38**	**375**	**11.733**

all amounts in € thousands	**Land and buildings**	**Vehicles and machinery**	**Furniture, fittings and equipment**	**Software**	**Total**
COMPANY - Cost					
1 January 2012	**300**	**95**	**1.121**	**2.418**	**3.934**
Additions	-	-	28	11	39
31 December 2012	**300**	**95**	**1.149**	**2.429**	**3.973**
1 January 2013	**300**	**95**	**1.149**	**2.429**	**3.973**
Additions	-	-	15	20	34
Disposals / Write-offs	-	(5)	-	-	(5)
31 December 2013	**300**	**90**	**1.164**	**2.448**	**4.002**
Accumulated depreciation					
1 January 2012	**(182)**	**(35)**	**(867)**	**(2.378)**	**(3.462)**
Depreciation charge	(12)	(11)	(114)	(26)	(163)
31 December 2012	**(194)**	**(46)**	**(981)**	**(2.404)**	**(3.625)**
1 January 2013	**(194)**	**(46)**	**(981)**	**(2.404)**	**(3.625)**
Depreciation charge	(12)	(11)	(105)	(19)	(147)
Disposals / Write-offs	-	4	-	-	4
31 December 2013	**(205)**	**(53)**	**(1.086)**	**(2.423)**	**(3.768)**

Closing net book amount at 31 December 2012	**106**	**48**	**168**	**25**	**348**
Closing net book amount at 31 December 2013	**95**	**37**	**78**	**26**	**235**

At 31/12/2013 the Group does not lease any asset under finance lease agreements and borrowing costs have not been capitalized. Property, plant and equipment are not secured by mortgages.

8. Intangible assets

all amounts in € thousands	**Concessions and similar rights**
GROUP - Cost	
1 January 2012	**5.469**
Additions	-
31 December 2012	**5.469**
1 January 2013	**5.469**
Change in interest held in participations	(3.991)
31 December 2013	**1.478**
Accumulated depreciation	
1 January 2012	**(1.300)**
Depreciation charge	(140)
Provision for impairment of participation (note 9)	(4.029)
31 December 2012	**(5.469)**
1 January 2013	**(5.469)**
Change in interest held in participations	3.991
31 December 2013	**(1.478)**
Closing net book amount at 31 December 2012	-
Closing net book amount at 31 December 2013	-

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 and possible impairments.

9. Investments in subsidiaries and associates

The Group's composition on December 31, 2013 is as follows:

Company			% Participation of the parent company
LAMDA Development SA			Parent company
Full consolidation			
LAMDA Estate Development SA	Greece		100,0%
KRONOS PARKING SA	Greece	Indirect	100,0%
LAMDA Prime Properties SA	Greece		100,0%
PYLAIA SA	Greece	Indirect	100,0%
LAMDA Erga Anaptyxis SA	Greece		100,0%
LAMDA Domi SA	Greece		100,0%
LD Trading SA	Greece		100,0%
LAMDA Waste Management SA	Greece		100,0%
GEAKAT SA	Greece		100,0%
MC Property Management SA	Greece		100,0%
LAMDA Development DOO Beograd	Serbia		100,0%
Property Development DOO	Serbia		100,0%
Property Investments DOO	Serbia		100,0%
LAMDA Development Montenegro DOO	Montenegro		100,0%
LAMDA Development Romania SRL	Romania		100,0%
Robies Proprietati Imobiliare SRL	Romania	Indirect	90,0%
SC LAMDA Properties Development SRL	Romania	Indirect	95,0%
LAMDA Development Sofia EOOD	Bulgaria		100,0%
TIHI EOOD	Bulgaria	Indirect	100,0%
LAMDA Development (Netherlands) BV	Netherlands		100,0%
Robies Services Ltd	Cyprus		90,0%

Company			% Participation of the parent company
Proportionate consolidation			
LAMDA Olympia Village SA	Greece		50,0%
LAMDA Dogus Marina Investments SA	Greece		50,0%
LAMDA Flisvos Marina SA	Greece	Indirect	27,0%
LAMDA Flisvos Holding SA	Greece	Indirect	35,0%
LAMDA Akinhta SA	Greece		50,0%
LOV Luxembourg SARL	Luxembourg		50,0%
Singidunum-Buildings DOO	Serbia	Indirect	50,0%
SC LAMDA Olympic SRL	Romania		50,0%
GLS OOD	Bulgaria	Indirect	50,0%
Equity consolidation			
ECE LAMDA HELLAS SA	Greece		34,0%
N.DOXA - LD TRADING LTD	Greece	Indirect	45,0%
ATHENS METROPOLITAN EXPO SA	Greece		11,7%
METROPOLITAN EVENTS	Greece	Indirect	11,7%
Piraeus Metropolitan Center SA	Greece		19,5%
SC LAMDA MED SRL	Romania	Indirect	40,0%
EUROBANK PROPERTY SERVICES SA	Romania		20,0%
ERB PROPERTY SERVICES SOFIA A.D.	Serbia		20,0%
ERB PROPERTY SERVICES D.O.O. BEOGRAD	Bulgaria		20,0%

(a) Investment in subsidiaries

The Company’s investment in subsidiaries is as follows:

Name	Country of incorporation	% interest held	31.12.2013 Carrying amount	31.12.2012 Carrying amount
LAMDA ESTATE DEVELOPMENT SA	Greece	100%	28.183	31.383
LAMDA PRIME PROPERTIES SA	Greece	100%	9.272	9.272
LAMDA ERGA ANAPTYXIS SA	Greece	100%	2.170	170
LAMDA DOMI SA	Greece	100%	74.000	33.000
LD TRADING SA	Greece	100%	910	210
LAMDA HELLIX SA	Greece	disposal of participation	-	1.240
PYLAIA SA	Greece	60%	4.035	4.035
LAMDA FLISVOS HOLDING SA	Greece	contribution of participation	-	3.047
LAMDA WASTE MANAGEMENT SA	Greece	100%	150	150
GEAKAT SA	Greece	100%	7.663	14.563
MC PROPERTY MANAGEMENT SA	Greece	75%	745	745
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	283	283
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	Serbia	100%	942	942
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	9.101	7.901
PROPERTY INVESTMENTS LTD	Serbia	100%	1	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	541	401
ROBIES SERVICES LTD	Cyprus	90%	56	1.638
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	73.828	73.828
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	Montenegro	100%	600	600
Investment in subsidiaries			**212.479**	**183.407**

The movement in investment in subsidiaries is as follows:

	COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012
Balance at 1 January 2013	**183.407**	**185.310**
Increase in share capital of participations	46.858	8.400
Decrease in share capital of participations	(1.192)	(5.000)
Provision for impairment	(13.500)	(5.303)
Disposal / contribution of participations	(3.095)	-
Balance at 31 December 2013	**212.479**	**183.407**

During the year ended 31 December 2013 the following significant events have occurred as result of the aforementioned movements:

Disposal of participation / decrease in share capital

The Company on 20/5/2013 transferred 80% of the share capital that held at LAMDA Hellix S.A., for a total consideration price of €4.1m. The buyer is LAMDA HELLIX DATA CENTERS LIMITED, company controlled by the minority shareholders. The accumulated return of the five year period investment amounts to 330%. Before the share transfer a share capital decrease had been preceded (an amount of € 1.2m was returned to the Company). In note 29 there are further clarification regarding the classification of LAMDA Hellix S.A. as discontinued operations according to the IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Contribution of participation

In April 2013, LAMDA Development SA contributed to the new Joint Venture Company with the shares it holds in LAMDA Flisvos Holding SA and DOGUS Group Company D-Marine Investments Holding B.V. participated in a share capital increase with an equal amount in cash. The Parties have also agreed that the aggregate value of the transaction will be finally determined (and potentially adjusted) using a formula which takes into account 7 X EBITDA of the LAMDA Flisvos Marina SA minus financial debt, depending on LAMDA Flisvos Marina SA's performance in years 2015 and 2016. Consequently, from now on the Group will consolidate the associate companies according to the proportionate method by the interest held in the indirect participation in them.

Share capital increase

The Company's subsidiary LAMDA DOMI SA at 4/2/2013 completed the share capital increase through cash contribution amounting to €41m aiming to the financing of the acquirement of the usufruct upon the right of exploitation of the International Broadcasting Centre (IBC). Also, the subsidiaries LAMDA Erga Anaptyxis SA, LAMDA Estate Development SA, LD Trading SA, LAMDA Development Romania SRL and Property Development DOO increased their share capital by €2m, €1,8m, €0,7m, €0,14m and €1,2m respectively.

Provision of impairment

The Company recognized provision of impairment for the subsidiaries LAMDA Estate Development SA, GEAKAT SA και ROBIES SERVICES LTD for the amount of €13,5m following the completion of the valuations of the investement properties that these subsidiaries own. The management appreciates that the impairments for these certain investment properties will not be recovered in the foreseeable future.

(b) Investment of the Company in joint ventures

The Company's investment in joint ventures is as follows:

COMPANY			**31.12.2013**	**31.12.2012**
Name	**Country of incorporation**	**% interest held**	**Carrying amount**	**Carrying amount**
LAMDA OLYMPIA VILLAGE SA	Greece	50,00%	28.681	28.681
LAMDA AKINHTA SA	Greece	50,00%	4.904	4.904
LAMDA DOGUS MARINA INVESTMENTS SA	Greece	50,00%	3.077	-
S.C. LAMDA OLYMPIC SRL	Romania	50,00%	1	45
Investment in joint venture			**36.662**	**33.630**

Joint venture formation

During current period the Company in the frame of a strategic cooperation agreement with DOGUS Group Company D-Marine Investments Holding B.V. participated to the formation of a 50%-50% joint venture company, contributing the amount of €30k.

The joint venture of LAMDA Olympic SRL decreased its share capital by €45k.

(c) Investment of the Group in joint ventures

During the last three-month period of 2013, the joint venture of Lamda Dogus Marina Investments SA, acquired an additional 9% in LAMDA Flisvos Holding SA. As a result of this transaction, the indirect participation of the Group in the joint ventures is formed as follows: LAMDA Flisvos Holding SA interest held 35% and LAMDA Flisvos Marina SA interest held 27,03%.

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

all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Revenue	20.086	17.691
Net loss from fair value adjustment on investment property	(12.692)	(20.122)
Provision for inventory impairment	(100)	(326)
Other operating income / (expenses) - net	(9.421)	(6.308)
Finance costs - net	(6.750)	(7.890)
Loss before income tax	**(8.876)**	**(16.954)**
Income tax expense	(5.874)	2.864
Loss for the year	**(14.750)**	**(14.090)**

Non-current assets	278.888	284.209
Current assets	14.749	9.679
Non-current liabilities	30.508	137.691
Current liabilities	153.342	31.898

(d) Other participations of the Company and the Group

The Group participates in the following other companies' equity:

GROUP				**31.12.2013**			**31.12.2012**	
Name			**Cost**	**Share in profit / (loss)**	**Carrying amount**	**Cost**	**Share in profit / (loss)**	**Carrying amount**
ECE LAMDA HELLAS SA	Greece	34,00%	204	650	**854**	204	786	**990**
N.DOXA - LD TRADING LTD	Greece	45,00%	225	(225)	**-**	157	-	**157**
ATHENS METROPOLITAN EXPO SA	Greece	11,67%	1.559	-	**1.559**	1.559	-	**1.559**
PIRAEUS METROPOLITAN CENTER SA	Greece	19,50%	140	-	**140**	125	-	**125**
EUROBANK PROPERTY SERVICES SA	Romania	20,00%	30	56	**86**	30	54	**84**
ERB PROPERTY SERVICES SOFIA A.D.	Bulgaria	20,00%	15	371	**387**	15	369	**384**
ERB PROPERTY SERVICES D.O.O. BEOGRAD	Serbia	20,00%	20	90	**110**	20	103	**123**
LOV LUXEMBOURG SARL	Luxembourg	25,00%	75	(75)	**-**	75	(75)	**-**
S.C. LAMDA MED SRL	Romania	40,00%	1	984	**985**	1	1.433	**1.434**
TOTAL			**2.270**	**1.852**	**4.121**	**2.187**	**2.669**	**4.854**

The movement of the investment in other companies is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Balance at 1 January 2013	**4.854**	**4.669**	**2.028**	**1.929**
Increase in share capital	83	23	16	23
Additions	-	157	-	75
Share in profit of associates	(102)	657	-	-
Dividends effect	(714)	(653)	-	-
Balance at 31 December 2013	**4.121**	**4.854**	**2.043**	**2.028**

10. Inventories

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Merchandise	1	106	-	-
Raw materials - Maintenance stores	9	11	-	-
Land for sale	141.067	140.642	-	-
Property for sale	1.538	1.538	-	-
Total	**142.614**	**142.297**	**-**	**-**

Minus: provision for impairment				
Land for sale	(16.172)	(11.339)	-	-
Property under construction for sale	(764)	(764)	-	-
	(16.936)	**(12.103)**	-	-
Net realisable value	**125.678**	**130.194**	-	-

During 2013, additional provisions of €4,8m for inventory impairment were made that is related to the land and property for sale of the Group's companies. The above mentioned difference is presented in the income statement as "Provision for inventory impairment".

11. a) Financial instruments by category

	Fair Value Hierarchy (note 3.3)	GROUP		COMPANY	
all amounts in € thousands		31.12.2013	31.12.2012	31.12.2013	31.12.2012
Assets as per balance sheet					
Trade and other receivables		18.734	22.182	126	99
Less: provision for impairment of trade receivables		(9.538)	(10.162)	-	-
Trade receivables - net	3	**9.197**	**12.020**	**126**	**99**
Other receivables	3	3.480	2.700	717	266
Receivables and loans to related parties	3	9.593	9.310	92.313	91.315
Receivables from disposal of participation	3	2.925	-	2.925	-
Restricted cash	1	17.508	10.479	17.508	10.479
Cash and cash equivalents	1	42.864	116.387	7.597	78.441
Total		**85.568**	**150.896**	**121.188**	**180.600**

GROUP		31.12.2013			31.12.2012		
	Fair Value Hierarchy (note 3.3)	Derivatives used for hedging	Liabilities at amortized cost	Total	Derivatives used for hedging	Liabilities at amortized cost	Total
all amounts in € thousands							
Liabilities as per balance sheet							
Borrowings	3	-	488.161	**488.161**	-	491.746	**491.746**
Finance lease liabilities	3	-	6.343	**6.343**	-	7.316	**7.316**
Derivative financial instruments	3	542	-	**542**	1.963	-	**1.963**
Trade and other payables (excluding payables to public sector)	3	-	30.588	**30.588**	-	23.487	**23.487**
Interest payable	3	-	2.550	**2.550**	-	2.342	**2.342**
Total		**542**	**527.641**	**528.183**	**1.963**	**524.891**	**526.854**

COMPANY		31.12.2013			31.12.2012		
	Fair Value Hierarchy (note 3.3)	Derivatives used for hedging	Liabilities at amortized cost	Total	Derivatives used for hedging	Liabilities at amortized cost	Total
all amounts in € thousands							
Liabilities as per balance sheet							
Borrowings	3	-	165.150	**165.150**	-	178.125	**178.125**
Derivative financial instruments	3	-	-	**-**	283	-	**283**
Trade and other payables (excluding payables to public sector)	3	-	20.665	**20.665**	-	15.894	**15.894**
Interest payable	3	-	454	**454**	-	591	**591**
Total		**-**	**186.269**	**186.269**	**283**	**194.610**	**194.893**

b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty:

Trade receivables

The trade receivables at Group level primarily relate to customers who are not subject to external credit quality assessement and comprise trading and individual customers that are constracted via commercial traing agreements.

Loans to related parties

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Loans to subsidiaries	-	-	92.160	90.965
Loans to other participations	9.592	9.179	-	-
	9.592	**9.179**	**92.160**	**90.965**

Cash and cash equivalents

The credit risk of cash equivalents, derivatives and financial assets available-for-sale has been classified in the following chart according to the rating list:

all amounts in € thousands	GROUP		COMPANY	
(Moody's Rating)	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Caa2	18.674	75.283	1.692	60.140
Caa1	15.871	32.944	5.844	17.660
Aa3	6.839	4.728	-	-
N/A	1.031	3.108	54	633
	42.414	**116.063**	**7.590**	**78.433**

The remaining amount in cash and cash equivalents is related to cash in hand.

12. Trade and other receivables

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade receivables	18.734	22.182	126	99
Less: provision for impairment of trade receivables [a]	(9.538)	(10.162)	-	-
Trade receivables - net	**9.197**	**12.020**	**126**	**99**
Prepayments and other receivables	3.480	2.700	717	266
Property transfer tax	7.784	6.695	-	-
VAT receivable	2.526	2.201	1.335	1.133
Restricted cash [b]	17.508	10.479	17.508	10.479
Receivables from disposal of participation	2.925	-	2.925	-
Receivables from related parties (note 32)	1	130	153	350
Loans to related parties (note 32) [c]	9.592	9.179	92.160	90.965
Deferred expenses	745	967	27	42
Long-term receivables impairment	(319)	(319)	-	-
Total	**53.439**	**44.053**	**114.953**	**103.333**

(a) Doubtful of trade receivables

At December 31, 2013 the Group has recognised net losses from doubtful receivables for €0,6m (2012: €1,5m). The net movement of the Group's doubtful receivables is included in "Other direct property operating expenses" (note 23) and "Other operating income / (expenses) – net" (note 24).

Receivables analysis:				
Non-current assets	19.892	14.851	88.594	84.537
Current assets	33.547	29.202	26.358	18.796
Total	**53.439**	**44.053**	**114.953**	**103.333**

The movement in Group's doubtful receivables is as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Balance at 1 January 2013	10.162	9.109	-	-
Provisions for doubtful receivables	644	1.481	-	-
Change in participation/disposal	(1.041)	41	-	-
Write-offs	(227)	(469)	-	-
Balance at 31 December 2013	**9.538**	**10.162**	**-**	**-**

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

There are no other significant receivables at Group and Company level for a period further to three-months which are regarded as doubtful or due.

(b) Restricted cash

The restricted cash is mainly related to:

- €10.5m in escrow account kept in the Bank of Piraeus (together with the Municipality of Maroussi) and refers to payable remuneration for the acquisition of the company LAMDA Olympia Village SA and will be released in case that the tax courts decisions are in favor of the above-mentioned company for the cases that are placed before its acquisition from the parent Company.
- €7.0m as cash collateral for the issuance of two letters of guarantee. More specifically, €5.0m has been released (in February 2014) whereas the other €2.0m will be released during the first semester of 2015

(c) Loans to related parties

At the end of the year, the loans to related parties include at Group level mainly the receivables from the loan (capital and interest payable) that the joint venture of Lamda Olympia Village SA granted to LOV Luxembrourg SARL for the loan amount of €7,5m.

(d) Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables in the balance sheet.

13. Cash and cash equivalents

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Cash at bank	20.089	32.238	760	4.785
Cash in hand	450	324	8	8
Short-term bank deposits	22.325	83.825	6.830	73.648
Total	**42.864**	**116.387**	**7.597**	**78.441**

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

No significant credit losses are anticipated in view of the credit status of the banks that the Group keeps current accounts and time deposits. In relation to the credit risk of banks see note 11.

14. Share capital

all amounts in € thousands	Number of shares *(thousands)*	Ordinary shares	Share premium	Treasury shares	Total
1 January 2012	**41.055**	**13.277**	**223.187**	**(16.244)**	**220.220**
Employee share option scheme	11	3	21	-	24
Purchase of treasury shares	(281)	-	-	(653)	(653)
31 December 2012	**40.786**	**13.280**	**223.208**	**(16.897)**	**219.591**
1 January 2013	**40.786**	**13.280**	**223.208**	**(16.897)**	**219.591**
Employee share option scheme	145	43	392	-	435
Purchase of treasury shares	(15)	-	-	(73)	(73)
31 December 2013	**40.915**	**13.324**	**223.600**	**(16.970)**	**219.953**

Following the decision of the Board of the Company on 17.12.2013, it was decided that under the share option scheme, that the Company would increase its share capital, by €43k by issuing 144.647 shares of nominal value €0.30 each and an issue price of €2.50 per share for 88.950 shares, and issue proce of €4.50 per share for 43.001 shares and an issue price of €2.30 per share for 12.696 shares. The share premium, amounting to €402k will arise following the transferred from the respective reserve (after the deduction of the costs related to the share capital increase). Following the above, the share capital of the Company amount to €13.323.704,10 divided by 44.412.347 shares of nominal value €0.30 each. All the Company's shares are listed on the Athens Stock Exchange.

During 2013, the Company purchased 15.399 treasury shares with total cost €72k, and average price €4,70 per share, in accordance to the decision of the Annual Shareholders Meeting on 19/5/2011 which approved the purchase of treasury shares up to 10% on the total amount of shares in issue, in accordance with article 16 of Codified Law 2190/1920. At 31/12/2013 the Company's treasury shares amount to 3.497.599 shares with average acquisition price of €4.83 per share (before expenses and other commissions) and represents 7,88% of the Company's issued share capital.

15. Other reserves

all amounts in € thousands	Statutory - Special - Tax-free reserves	Reserves from revaluation of available-for-sale financial assets	Hedging reserves (1)	Reserves from options scheme	Cumulative actuarial gains/(losses) (1)	Currency translation differences	Total
GROUP							
1 January 2012	**9.095**	**(44.038)**	**(1.727)**	**1.617**	**222**	**1.544**	**(33.287)**
Currency translation differences	-	-	-	-	-	(86)	(86)
Changes during the year	910	-	628	(450)	(36)	-	1.053
Recycling of the Afs reserve to the P&L account	-	44.038	-	-	-	-	44.038
31 December 2012	**10.005**	**-**	**(1.098)**	**1.167**	**186**	**1.458**	**11.718**
1 January 2013	**10.005**	**-**	**(1.098)**	**1.167**	**186**	**1.458**	**11.718**
Currency translation differences	-	-	-	-	-	(150)	(150)
Disposal / change in participation	(283)	-	-	-	-	-	(283)
Changes during the year	10	-	1.169	(584)	30	-	626
Settlement of reserves	-	-	(472)	-	-	-	(472)
31 December 2013	**9.732**	**-**	**(401)**	**584**	**216**	**1.307**	**11.439**

all amounts in € thousands	Statutory - Special - Tax-free reserves	Reserves from revaluation of available-for-sale financial assets	Hedging reserves (1)	Reserves from options scheme	Cumulative actuarial gains/(losses) (1)	Total
COMPANY						
1 January 2012	**6.393**	**(44.038)**	**(705)**	**1.617**	**203**	**(36.529)**
Changes during the year	-	-	479	(450)	(29)	(1)
Recycling of the Afs reserve to the P&L account	-	44.038	-	-	-	44.038
31 December 2012	**6.393**	**-**	**(226)**	**1.167**	**174**	**7.508**
1 January 2013	**6.393**	**-**	**(226)**	**1.167**	**174**	**7.508**
Changes during the year	-	-	226	(584)	(6)	(363)
31 December 2013	**6.393**	**-**	**(0)**	**584**	**169**	**7.145**
1 January 2013	**6.393**	**-**	**(226)**	**1.167**	**174**	**7.508**
Changes during the year	-	-	226	(584)	(6)	(363)
31 December 2013	**6.393**	**-**	**-**	**584**	**169**	**7.145**

(1) The reserves form the cumulative actuarial losses and the hedging reserves are disclosed net of deferred tax.

Statutory reserve - Special and extraordinary reserves - Tax free reserve

(a) A legal reserve (Group €5.873k and Company €2.597k) 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) The special reserve (Group and Company €75k) 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 and special taxed reserves (Group €3.784k and Company €3.721k) 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. In implementation of the new tax law L.4172/2013, the Company will offset tax-free reserves against cumulative tax losses during 2014. The impact of such an input will be presented in the deferred tax changes.

Hedging reserve

The above-mentioned reserve include the balance of the interest rate swap's valuation at fair value, debit amount of €542k which net of deferred tax is debit amount of €401k.

Reserves from option scheme

The above-mentioned reserves refer to option scheme (note 16).

Reserves from cumulative actuarial differences

The above-mentioned reserves refer to actuarial losses deriving from the retirement benefit obligations in the amount of €216k (after deferred tax €75k) at Group level and €169k (after deferred tax €59k) at Company level.

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.

16. 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 dated 23.6.2006, as it was modified according to the decision of the Annual General Meeting of the Shareholders dated 20.5.2010 and specialized further with the specific terms of the decision of the Board of Directors dated 1.11.2010, 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 Board of Directors, Company employees and its subsidiaries, in the sense of article 42^{e} of L.2190/1920.

In execution to the abovementioned decisions:

a. 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.
b. The Board of Directors on its meeting on 17.12.2008 decided the distribution of certificates for the purchase of 507.750 shares to 27 beneficiaries. The exercise price per share amounts to 2.5 euros.
c. The Board of Directors on its meeting on 28.12.2009 decided the distribution of certificates for the purchase of 170.196 shares to 28 beneficiaries. The exercise price per share amounts to 4.5 euros.
d. The Board of Directors on its meeting on 27.12.2010 decided the distribution of certificates for the purchase of 173.250 shares to 28 beneficiaries. The exercise price per share amounts to 2.3 euros.

Board date	Total number of certificates available	Exercise price (€)	Years of exercise	1st year of exercise	2nd year of exercise	3rd year of exercise	4th year of exercise	Remaining rights to be exercised	Options that matured and cannot be exercised
07.06.2007	138.490	7,5	2009, 2010, 2011, 2012	-	-	-	-	-	138.490
17.12.2008	507.750 (1)	2,5	2010, 2011, 2012, 2013	227.050	-	10.700	86.950	-	179.050
28.12.2009	170.196 (2)	4,5	2011, 2012, 2013, 2014	-	-	43.001	-	125.383 (4)	-
27.12.2010	173.250 (3)	2,3	2012, 2013, 2014, 2015	-	12.696	-	-	158.162 (4)	-

(1)Due to executive's resignation, the total rights number was 505.750.

(2)Due to executive's resignation, the total rights number was 168.384.

(3)Due to executive's resignation, the total rights number was 170.858.

(4)Rights that remaining for exercising after executive's resignation.

17. Borrowings

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Non-current				
Bond borrowings	234.772	420.748	66.350	165.150
Finance lease liabilities	5.305	6.344	-	-
Total non-current	**240.078**	**427.091**	**66.350**	**165.150**
Current				
Bond borrowings	253.389	70.998	98.800	12.975
Finance lease liabilities	1.037	972	-	-
Total current	**254.426**	**71.970**	**98.800**	**12.975**
Total borrowings	**494.504**	**499.062**	**165.150**	**178.125**

The movements in borrowings are analysed as follows:

12 months ended 31 December 2012 *(amounts in € thousands)*	GROUP		COMPANY	
Balance at 1 January 2012	552.185	-	202.000	-
Bond borrowings	95.000	-	95.000	-
Refinancing	(95.000)	-	(95.000)	-
Borrowings transaction costs - amortization	492	-	-	-
Borrowings repayments	(52.693)	-	(23.875)	-
Finance lease - new	23	-	-	-
Finance lease repayments	(946)	-	-	-
Balance at 31 December 2012	**499.062**	**-**	**178.125**	**-**

12 months ended 31 December 2013 *(amounts in € thousands)*	GROUP		COMPANY	
Balance at 1 January 2013	499.062	-	178.125	-
Bond borrowings	40.000	-	-	-
Disposal of participations	(18.649)	-	-	-
Borrowings transaction costs - new	(1.155)	-	-	-
Borrowings transaction costs - amortization	531	-	-	-
Borrowings repayments	(24.311)	-	(12.975)	-
Finance lease repayments	(973)	-	-	-
Balance at 31 December 2013	**494.504**	**-**	**165.150**	**-**

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

The maturity of non-current borrowings is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Between 1 and 2 years	14.854	266.027	1.800	98.800
Between 2 and 5 years	175.745	96.327	64.550	66.350
Over 5 years	49.478	64.737	-	-
	240.078	**427.091**	**66.350**	**165.150**

The exposure of the Group and Company's borrowings to interest rate changes and the contractual repricing dates at December 31, 2013 are as follows:

	GROUP	**COMPANY**
all amounts in € thousands	**31.12.2013**	**31.12.2012**
3months or less	335.508	165.150
3-6 months	5.622	-
	341.130	**165.150**
Fixed rate	154.860	-
	495.990	**165.150**

The fair value of the fixed rate Group's borrowing at the end of the year is €154,9m whereas the fair vale is €152,2m (December 31, 2012: carrying amount €205,6m, fair value €197,7m). The average base discount interest rate that the Group uses for measuring the borrowings with fixed rate is Euribor of 3 and 6 months, 0,287% and 0,387% respectively at 31/12/2013.

The carrying amount of loans with floating rate proximates the fair value at the balance sheet date.

The effective weighted average interest rates at December 31, 2013 are as follows:

	GROUP	COMPANY
Current bond borrowings	4,54%	4,24%
Non-current bond borrowings	3,71%	4,18%

By taking into account the participation interest held in each company, it is noted that on 31/12/2013, the average base effective interest rate of the Group is 1.37% and the average bank spread is 2.77%. Therefore, the Group total effective borrowing rate stands at 4.14%.

At Group level, the increase in the bond loan borrowings by €40m refers to the financing of part of the consideration price of €81m for the acquisition of I.B.C building usufruct right from the subsidiary company LAMDA Domi. More specifically, there has been a refinancing of the existing loan facility and the respective increase in the bond loan amount. The new syndicated loan agreement amounts to €87m, it has a 5-year maturity and has been granted by the following banking institutions: Eurobank Ergasias, Alpha Bank, National Bank of Greece and HSBC. The above mentioned loan agreement has the following financial covenants: Loan to value <60% and Debt Service Coverage Ratio >120%.

Regarding the change in borrowings that is mentioned as "Disposal of participations", at Group level, the amount of €2.4m refers to the Company's participation disposal in LAMDA Hellix SA, €16m refers to the de-recognition of borrowings after the disposal of the Company's participation in LAMDA Flisvos Marina SA.

Moreover, within 2013, the Holding Company proceeded to total payments of €13mil of its bond loans. The Company loans have to fulfil the following financial covenants: at Company level (Issuer) the total borrowings (current and non-current) to total equity should not exceed 1.5 and at Group level the total borrowings to total equity should not exceed 3. There has been no change to the above mentioned financial covenants; they are satisfied both at Company and at Group level as in the last reporting period. Also, for a specific bond loan of the Holding Company there is an additional ICR covenant: The interest Cover Ratio at Group level should not exceed 1,25. This ratio is also satisfied.

Regarding the subsidiaries, they proceeded to total payments of €12.3m within 2013, as described in their bond loan contracts.

The fair value estimation of the total borrowings is based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Finance lease liabilities

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	1.088	1.087	-	-
Later than 1 year but not later than 5 years	5.343	6.528	-	-
Total	**6.432**	**7.615**	**-**	**-**
Less: Future finance charges on finance leases	(89)	(300)	-	-
Present value of finance lease liabilities	**6.343**	**7.316**	**-**	**-**

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

all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Not later than 1 year	1.037	972	-	-
Between 1 and 5 years	5.305	6.344	-	-
Total	**6.343**	**7.316**	**-**	**-**

18. Retirement benefit obligations

On 1.1.2013, the employee benefits recognition policy changed based on the adoption of the revised International Accounting Standard (IAS) 19, as endorsed by the EU during the fourth quarter of 2012. The revised IAS 19 includes changes that range from fundamental ones, such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The adoption of the revised standard did not significantly affect the Group's financial position for the fiscal year 2013, as the Group recognizes fully all actuarial gains and losses in the statement of comprehensive income when they occur. The Group changed its accounting policy from 1/1/2012 in order to better present its financial position and thus partly facilitate the transition to the revised IAS 19 (see note 34 in relation to the impact of this change in the financial statements).

The amounts that have been recognized in the statement of financial position are as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Amounts recognized in balance sheet				
Present value of obligations	421	435	379	335
Fair value of plan assets	-	-	-	-
Net liability in balance sheet	421	435	379	335

The amounts recognised in the income statements are as follows:

	GROUP		COMPANY	
Amounts recognized in the income statement	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Service cost	40	47	32	31
Interest cost	14	22	13	17
P/l charge	54	69	45	47
Recognition of past service cost	-	(53)	-	(42)
Settlement/Curtailment/Termination loss/(gain)	24	65	24	3
Other expense	29	-	14	-
Total charge in the income statement	**107**	**81**	**82**	**8**

The amounts recognised in the other comprehensive income statement are as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Remeasurements				
Liability gain/(loss) due to changes in assumptions	(1)	(11)	-	(6)
Liability experience gain/(loss) arising during the year	9	(33)	10	(30)
Total actuarial gain/(loss) recognised in OCI	**8**	**(45)**	**10**	**(37)**

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

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Reconciliation of benefit obligation				
Defined Benefit Obligation at start of year	**435**	**386**	**335**	**293**
Service cost	40	47	32	31
Interest cost	14	22	13	17
Benefits paid directly by the Company	(50)	(78)	(28)	(3)
Settlement/Curtailment/Termination loss	24	65	24	3
Other	29	-	14	-
Past service cost arising over last period	-	(53)	-	(42)
Actuarial (gain)/loss	(8)	45	(10)	37
Disposal / change in interest held in participations	(63)	-	-	-
Defined Benefit Obligation at start of year	**421**	**435**	**379**	**335**

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Movements in Net Liability in BS				
Net Liability in BS at the beginning of the period	435	387	335	293
Benefits paid directly	(50)	(78)	(28)	(3)
Total expense recognized in the income statement	107	81	82	8
Total amount recognized in the OCI	(8)	45	(10)	37
Disposal / change in interest held in participations	(63)	-	-	-
Net Liability in BS	**421**	**435**	**379**	**335**
Cumulative amount recognized in the OCI income/(expense)	225	240	228	218

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

	GROUP		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Discount rate	3,74%	3,83%	3,74%	3,83%
Price inflation	1,50%	1,50%	1,50%	1,50%

In case that the discount rate changes by (+/-) 0,25%, the impact to the defined benefit pension plans would change by (+/-) €17k. In case that the salaries change by +/-1%, the change to the defined benefit pension plans of the Group would change by (+/-) €79k.

The estimated future contributions that occur from the defined benefit pension plans after the retirement of the last person in the Group are as follows:

	2013	
	GROUP	COMPANY
all amounts in €		
Not later than 1 year	1	1
Between 1 and 2 years	4	4
Between 2 and 5 years	56	55
More that 5 years	793	682
	852	**741**

19. Trade and other payables

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Trade payables	6.348	5.696	150	19
Liabilities to related parties (note 32)	1.444	2.019	9	1
Social security cost and other taxes/charges	2.126	1.914	818	554
Unearned and deferred income	2.644	3.977	-	-
Liability to the Municipality of Amarousiou [a]	9.826	9.826	9.826	9.826
Accrued expenses	4.370	3.634	711	284
Accrued interest	2.550	2.342	454	591
Customer prepayments	488	448	-	-
Loans from related parties (note 32)	7.898	7.539	19.752	15.079
Provision for costs of completion of investment property	1.649	1.649	-	-
Other liabilities	5.073	5.890	299	205
Total	**44.415**	**44.934**	**32.020**	**26.558**

Analysis of obligations:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Non-current assets	9.025	10.775	19.000	15.000
Current assets	35.389	34.159	13.020	11.558
Total	**44.415**	**44.934**	**32.020**	**26.558**

a) The liability to the Municipality of Amarousion represents Company's obligation related to LAMDA Olympia Village purchase (former DIMEPA). The two parts agreed mutually to deposit the relevant amount to a common pledged bank account until the issue is resolved.

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

20. Derivative financial instruments

	GROUP				COMPANY			
	31.12.2013		31.12.2012		31.12.2013		31.12.2012	
all amounts in € thousands	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cash flow hedges	-	542	-	1.963	-	-	-	283
Total	**-**	**542**	**-**	**1.963**	**-**	**-**	**-**	**283**
Non-current	-	-	-	1.680	-	-	-	-
Current	-	542	-	283	-	-	-	283
Total	**-**	**542**	**-**	**1.963**	**-**	**-**	**-**	**283**

The above mentioned derivative financial instruments refer to interest rate swaps.

The total fair value of the derivative financial instrument is presented in the balance sheet as long-term liability since the remaining duration of the loan agreement which is hedged, exceeds the 12 months.

The movement in fair value is related to the effective portion of the cash flow hedge and is recognised in special reserves in equity (note 15). The effectiveness test of the cash flow hedges is based on discounted cash flows according to the forward rates (3-month Euribor) and the their volatility rating.

The nominal value of interest rate swaps that are hedged at 31.12.2013 was €42m. The interest rate swaps have been measured at fair value stated by the counterpart bank. The swaps have been valuated at fair value which was estimated by the counterparty. On 31.12.2013 the long-term borrowings floating rates are secured with interest risk derivatives (swaps) ranged according to 3 month Euribor plus 4,0%.

21. 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	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Deferred tax liabilities:	**(53.803)**	**(46.218)**	**-**	**-**
Deferred tax assets:	**7.032**	**5.434**	**1.076**	**1.372**
	(46.771)	**(40.784)**	**1.076**	**1.372**

The amounts which have been offset are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Deferred tax liabilities:	**(55.020)**	**(49.192)**	**(996)**	**(1.184)**
Deferred tax assets:	**8.249**	**8.408**	**2.071**	**2.556**
	(46.771)	**(40.784)**	**1.076**	**1.372**

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	
all amounts in € thousands	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Balance at 1 January 2012	**(40.784)**	**(52.733)**	**1.372**	**178**
(Charged) / credited to the income statement - continuing operations	6.070	11.963	(1.037)	1.194
Credited to the income statement - discontinued operations	-	4	-	-
Charged in equity	(163)	(18)	40	1
Change in interest held / Disposal of participations	(219)	-	-	-
Change in tax rate through the income statement	(11.675)	-	700	-
Balance at 31 December 2013	**(46.771)**	**(40.784)**	**1.076**	**1.372**

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 *(all amounts in € thousands)*	Depreciation differences	Revenue recognition	Net profit / (losses) from fair value adjustment on investment property	Tax audit differences	Other	Total
1 January 2012	**12.153**	**216**	**44.762**	**1.733**	**761**	**59.624**
Charged / (credited) to the income statement	1.830	(21)	(11.856)	(300)	(91)	(10.439)
Credited directly to equity	-	-	-	-	7	7
31 December 2012	**13.983**	**195**	**32.905**	**1.433**	**676**	**49.192**
1 January 2013	**13.983**	**195**	**32.905**	**1.433**	**676**	**49.192**
Charged / (credited) to the income statement	4.167	(32)	(11.606)	193	(328)	(7.606)
Charged directly to equity	-	-	-	-	(56)	(56)
Change in interest held / Disposal of participations	(73)	-	-	(50)	(5)	(128)
Change in tax rated through the income statement	4.634	54	8.930	-	-	13.617
31 December 2013	**22.711**	**216**	**30.230**	**1.576**	**287**	**55.020**

COMPANY *(all amounts in € thousands)*

	Depreciation differences	Tax audit differences	Other	Total
1 January 2012	**45**	**1.028**	**404**	**1.477**
Charged to the income statement	-	(300)	-	(300)
Credited directly to equity	-	-	7	7
31 December 2012	**45**	**728**	**411**	**1.184**
1 January 2013	**45**	**728**	**411**	**1.184**
Charged to the income statement	(11)	-	(135)	(146)
Charged directly to equity	-	-	(56)	(56)
Change in tax rate through the income statement	14	-	-	14
31 December 2013	**47**	**728**	**221**	**996**

Deferred tax assets:

GROUP *(all amounts in € thousands)*	Provisions for impairment of receivables	Bad Debt	Tax losses	Income recognition	Finance leases	Provision for redundancy	Other	Total
1 January 2012		**1.707**	**2.247**	**280**	**1.647**	**77**	**933**	6.891
Charged / (credited) to the income statement	(1)	186	1.661	(122)	(188)	1	(8)	1.529
Charged directly to equity	-	-	-	-	-	9	(20)	(11)
31 December 2012	**(1)**	**1.893**	**3.908**	**158**	**1.459**	**87**	**905**	**8.408**
1 January 2013	**(1)**	**1.893**	**3.908**	**158**	**1.459**	**87**	**905**	**8.409**
Charged / (credited) to the income statement	-	62	(1.530)	(71)	-	17	(13)	(1.536)
Charged directly to equity	-	-	-	-	-	(16)	(203)	(219)
Change in interest held / Disposal of participations	-	(152)	-	-	-	(3)	(192)	(347)
Change in tax rate through the income statement	84	522	1.172	47	438	25	(347)	1.942
31 December 2013	**84**	**2.326**	**3.550**	**134**	**1.897**	**109**	**151**	**8.249**

COMPANY *(all amounts in € thousands)*	Provisions for impairment of receivables	Tax losses	Provision for redundancy	Other	Total
1 January 2012	**1**	**1.413**	**59**	**183**	**1.655**
31 December 2013	(1)	900	1	(6)	**894**
Credited directly to equity	-	-	8	-	**8**
31 December 2012	**-**	**2.313**	**67**	**176**	**2.557**
1 January 2013	**-**	**2.313**	**67**	**176**	**2.557**
Charged / (credited) to the income statement	-	(1.034)	27	(176)	(1.183)
Charged directly to equity	-	-	(16)	-	(16)
Change in tax rate through the income statement	-	694	20	-	714
31 December 2013	**-**	**1.973**	**99**	**-**	**2.072**

According to the new tax law 4110/2013, the tax rate for the legal entities that are registered in Greece was increased by 20% to 26% for the fiscal years that start on 1st January, 2013. Such a change at the tax status is estimated to cause a deferred tax asset increase for the Company by €614and respectively for the Group's deferred tax liability by €11.8m.

Regarding the total amount of the tax losses that deferred tax has not been recognized, see note 27**Σφάλμα! Το αρχείο προέλευσης της αναφοράς δεν βρέθηκε.**.

22. Revenue

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Leasing of real estate property	55.387	59.256	102	97
Other auxiliary land transportation	4.821	3.598	-	-
Other auxiliary water transportation services	2.238	7.571	-	-
Consulting on software matters and software procurement	276	309	958	837
Real estate management	206	298	348	363
Other	1.561	363	-	-
Total	**64.489**	**71.394**	**1.408**	**1.296**

The aggregate floating (contingent) remuneration for year 2013 as well as for year 2012 was €1,5m.

23. Other direct property operating expenses

all amounts in € thousands	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Shopping center common charges	5.212	4.999	-	-
Proportion in the common charges of vacant units	1.128	1.478	-	-
Promotion and marketing expenses	2.245	1.944	-	-
Parking expenses	2.456	1.729	-	-
Property management fees	1.988	1.822	-	-
Operating lease	3.564	12.132	-	-
Technical advisors' fees	231	217	-	-
Maintenance and repairs	870	415	-	-
Insurance costs	804	821	-	-
Taxes - charges	794	1.082	-	-
Lawyer fees	118	133	-	-
Commercialization	391	508	-	-
Doudtful receivables (note 12)	528	1.161	-	-
Other	853	1.086	-	-
Total	**21.183**	**29.527**	**-**	**-**

24. Other operating income / (expenses) net

all amounts in € thousands	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Professional fees	3.959	2.601	563	541
Promotion and marketing expenses	258	346	156	176
Common charges	1.316	2.494	656	616
Taxes - charges	787	720	4	4
Insurance costs	67	292	51	38
Travelling expenses	314	263	193	172
Other	411	504	174	117
Total	**7.112**	**7.219**	**1.797**	**1.664**

all amounts in € thousands	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Impairment of doubtful receivables (note 12)	116	319	-	-
Profit from sale of ppe (note 6, 7)	-	(101)	-	-
Other	(53)	36	(4)	5
Total	**62**	**254**	**(4)**	**5**
Total other operating income / (expenses) - net	**7.175**	**7.474**	**1.794**	**1.669**

25. Employee benefits

all amounts in € thousands	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Wages and salaries, including termination benefits	6.037	6.533	4.081	4.469
Social security costs	1.152	1.096	796	684
Costs - defined contribution funds (note 18)	107	81	82	8
Share options granted to directors and employees	-	116	-	116
Other benefits	1.208	721	1.132	619
Total	**8.505**	**8.547**	**6.091**	**5.895**
Number of employees	**148**	**196**	**65**	**64**

26. Finance costs – net

all amounts in € thousands	GROUP 1.1.2013 to 31.12.2013	GROUP 1.1.2012 to 31.12.2012	COMPANY 1.1.2013 to 31.12.2013	COMPANY 1.1.2012 to 31.12.2012
Interest expense:				
- Borrowings interest	(20.165)	(22.936)	(7.432)	(9.858)
- Other costs and commissions	(1.468)	(955)	(77)	(220)
- Expense from loans granted from related parties (note 32)	(358)	(39)	(879)	-
- Borrowings transaction costs - amortization (note 17)	(531)	(492)	(18)	-
- Finance lease liabilities (note 17)	(117)	(175)	-	-
	(22.639)	(24.598)	(8.407)	(10.078)
Net foreign exchange (losses)	-	10	-	-
	(22.639)	**(24.588)**	**(8.407)**	**(10.078)**
Interest income:				
- Reversal of impairment of receivables (note 12)	-	-	-	5
- Income from loans granted to related parties (note 32)	412	161	1.195	1.198
- Interest income	2.027	3.365	1.171	2.359
	2.439	**3.526**	**2.366**	**3.562**
Total	**(20.200)**	**(21.062)**	**(6.041)**	**(6.516)**

27. Income tax expense

According to tax law 4110/2013 which was set into force on January 23, 2013, the corporate income tax rate of legal entities in Greece is set at 26% for 2013 onwards and the withholding tax rate on dividend distribution approved after January 1, 2014 is set to 10%. The positive impact from the remeasurement of the deferred tax position of the Group and the Company that was recorded in the income statement, amounted to €11,7m and €700k respectively.

Based on the new income tax law 4172/2013 as amended by law 4223/2013, intragroup dividends distributed from January 1, 2014 onwards are exempt from both income tax, as well as withholding tax provided that the parent entity holds a minimum participation of 10% for two consecutive years.

Under Greek tax regulations, an income tax advance calculation on each year's current income tax liability is paid to the tax authorities. Such advance is then netted off with the following year's income tax liability. Any excess advance amounts are refunded to the companies following a tax examination.

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law. Tax returns are filed annually. With respect to the financial years up to and including 2010, the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. From the financial year 2011 and onwards, the tax returns are subject to the audit tax certificate process (described below). Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated. The Company has not formed deferred tax asset for accumulated tax losses of €2m.

	GROUP		**COMPANY**	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Current tax, social responsibility contribution, opened tax years' settlement and tax audit differences	(3.444)	(3.709)	(1.316)	1.087
Deferred tax (note 21)	6.070	11.963	(1.037)	(1.194)
Change in tax rate	(11.675)	-	700	-
Total	**(9.049)**	**8.255**	**(1.652)**	**(107)**

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:

	GROUP		**COMPANY**	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Loss for the year	**(40.280)**	**(107.537)**	**(22.454)**	**(46.137)**
Tax calculated at domestic tax rate applicable to profits in the respective countries	9.241	20.968	5.838	9.227
Income not subject to tax	200	2.530	1.237	3.439
Expenses not deductible for tax purposes	(696)	(260)	(299)	(178)
Loss non deductible	-	(10.790)	(3.510)	(9.868)
Tax effect on deducible interest income	(690)	(471)	(690)	(471)
Tax effect from proportion of the debit interest in non-taxable income	(814)	(804)	(814)	(804)
Additional tax	(175)	(169)	(62)	(89)
Other taxes not being compensated	(895)	(1.902)	(1.316)	(1.300)
Tax losses of current period carried forward, no deferred tax provision	(2.441)	(891)	(2.161)	(63)
Utilization of previous tax losses	(529)	44	-	-
Decrease in deferred tax asset of previous tax losses that refer to write-off of tax-free reserves	(575)	-	(575)	-
Difference due to reduction in the future tax rate	(11.675)	-	700	-
Tax	**(9.049)**	**8.255**	**(1.652)**	**(107)**

The income tax expense is based on the Management estimations of the weighted average tax rate that is expected to be applicable to profits throughout the year. Due to the increased transactions during to the ordinary course of business, the ultimate tax determination is uncertain. The Group's companies are subject to income taxes in numerous jurisdictions. In addition, the tax rate for the subsidiaries registered in foreign countries differs from country to country as follows: Romania 16%, Serbia 10%, Bulgaria 10%, Montenegro 9% and Netherlands 25.5%.

The annual weighted average tax rate for the current period has been affected by the Group results before tax which derive mainly from the Group's companies with registered offices in Greece, including the parent company. During current period, this rate presents a variation from the anticipating one due to the elements in the income statement that has significant contribution in the results before tax. These elements are basically non-taxable income (dividends), other non-offset taxes, differences due to tax rate decrease as well as period losses to be transferred, for which a provision of deferred tax has not been made.

28. Cash generated from operations

		GROUP		COMPANY	
all amounts in € thousands	**Note**	**1.1.2013 έως 31.12.2013**	**1.1.2012 έως 31.12.2012**	**1.1.2013 έως 31.12.2013**	**1.1.2012 έως 31.12.2012**
Loss for the period from continuing operations		(49.329)	(99.283)	(24.106)	(46.244)
Profit for the period from discontinued operations		698	1.048	4.085	-
Adjustments for:					
Tax		9.049	(7.956)	1.652	107
Depreciation of property, plant and equipment	7	1.552	2.537	147	163
Depreciation of intangible assets	8	-	140	-	-
Profit from disposal of interest held in participation		(175)	-	-	-
Profit from discontinued operations		(698)	-	(4.085)	-
Profit/(loss) from sale of ppe		-	(101)	-	-
Provision for doubtful trade receivables	12	644	1.521	-	-
Provision for retirement benefit obligations	18	107	81	82	8
Share in profit of associates	9	102	(657)	-	-
Proceeds from dividends		-	(3.667)	(4.756)	(8.868)
Provision for inventory impairment	9	-	9.912	13.500	5.303
Share option scheme		-	116	-	116
Recycling of the Afs reserve to the P&L account		-	44.038	-	44.038
Profit from sale of available-for-sale financial assets		-	(8.327)	-	(8.327)
Interest income	26	(2.439)	(3.606)	(2.366)	(3.562)
Interest expense	26	22.639	24.658	8.407	10.078
Provision for inventory impairment	10	4.833	4.672	-	-
Net losses from fair value adjustment on investment propert	6	38.581	56.400	-	-
Other non cash income / (expense)		22	(69)	(28)	(35)
		25.588	**21.456**	**(7.467)**	**(7.224)**
Changes in working capital:					
Increase in inventories		(420)	(3.894)	-	-
(Increase) / decrease in receivables		(2.135)	1.285	(567)	(237)
Increase/(decrease) in payables		2.397	195	847	(107)
Total changes in working capital:		**(159)**	**(2.414)**	**280**	**(343)**
Cash flows from operating activities from discontinued operations	29	401	851	-	-
Cash generated from operations		**25.830**	**19.893**	**(7.187)**	**(7.567)**

29. Discontinued operations

The Group applying IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" presents separately in the consolidated income statement the result for the current period, as well as the profit from the disposal of the Group's subsidiary LAMDA Hellix SA (part of the real estate segment), following the transfer of 80% of the share capital that held at the above mentioned subsidiary on 20/5/2013.

The following chart presents the condensed income statement of LAMDA Hellix SA for the year of 2012 as well as for the period of 1/1/2013 to 20/5/2013:

	GROUP		COMPANY	
all amounts in € thousands	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012
Revenue	1.894	6.826	-	-
Corporate overheads	(1.513)	(5.472)	-	-
Profit before income tax	381	1.355	-	-
Income tax expense	(112)	(306)	-	-
Profit for the period/year after tax	**268**	**1.048**	**-**	**-**
Profit from disposal of participation	429	-	4.085	
	698	**1.048**	**4.085**	**-**

The cash flow from discontinued operations is as follows:

	GROUP		COMPANY	
	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012
Cash flows from operating activities	401	851	-	-
Cash flows from investing activities	(302)	(87)	-	-
Cash flows from financing activities	(59)	(239)	-	-
	41	**526**	**-**	**-**

In consolidated financial statements, the profit from the disposal was defined as the difference between the consideration minus the respective costs and the net value of the assets of LAMDA Hellix SA at the date of the disposal, taking into account certain adjustments of the price and other provisions, which effect has been calculated.

	GROUP		COMPANY	
	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012	1.1.2013 to 20.5.2013	1.1.2012 to 31.12.2012
Consideration of the disposal of the participation	4.133	-	4.133	-
Total asset value of participation	(3.704)	-	(48)	-
Profit from the disposal of the participation	**429**	**-**	**4.085**	**-**

At the date of the disposal of the participation, the carrying amounts of the non-controlling interest was €1,3m.

30. 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:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
No later than 1 year	9.547	9.478	843	976
Later than 1 year and not later than 5 years	42.103	40.435	3.451	3.950
Later than 5 years	346.088	357.207	1.884	3.376
Total	**397.739**	**407.120**	**6.178**	**8.301**

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

31. 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		COMPANY	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Liabilities *(all amounts in € thousands)*				
Letters of guarantee to creditors	6.726	28.493	1.603	1.599
Letters of guarantee to customers securing contract performance	19	478	-	157
Mortgages over land & buildings	188.900	192.340	-	-
Guarantees to banks	62.192	52.521	43.632	39.593
	257.837	**273.832**	**45.236**	**41.349**

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.

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

- The Company has been audited by tax authorities until the year 2009 and 2010. For further information regarding the Group's unaudited fiscal years refer to note 36. As a result, the Group's tax obligations have not been defined permanently.
- At the subsidiary company LAMDA Olympia Village (ex DIMEPA) a property transfer tax of €10,1m approximately has been imposed. The Company has taken recourse to the administrative courts, paying the amount of €836k during 2005, €146k approximately during 2006 and €27k during 2007 (which is included in Deposits and Other Debtors). Out of the 41 recourses which have been filed, eight (8), amounting to €5,1m, have been accepted, one (1) amounting to €100k has been partially accepted, thirty-one (31) have been rejected and for one (1) the decision is still pending. Following the rejection of the latter recourses on first instance, the Company had to pay €2.9 in 2012 and additional €2.2m in 2013. Against all the recourses that have been rejected or have been partially accepted the Company has filed or is about to file appeals (with the exception of one recourse where an appeal cannot be filed, due to the amount of the litigation). 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.
- Five (5) petitions for annulment have been filed and are pending before the Council of State for the subsidiary company "LAMDA Olympia Village SA", in relation to the plot of land where the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were built. More specifically: the first of these petitions was heard on 3.5.2006 and the decision no 391/2008 of the Fifth Chamber of the Council of State was issued committing

for the Plenary Session of the Council of State. Further to successive postponements the case was heard on 5.3.2010 and the Council of State, in plenary session, issued the Decision No. 4076/2010 on 16.12.2010, with which it decided to adjourn further the hearing of the petition for annulment until the issuance of a decision by the Court of Justice of the European Union in another case, which raised, in the opinion of the Council of State, such legal issues as those considered in the petition of annulment. After the above mentioned decision of the Court of Justice of the European Union was issued in October of 2011, the petition was heard before the Plenary Session of the Council of State on 05.04.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003. The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, pursuant to the procedure required further to the issuance of the said decision.

- The hearing of the second petition has been set, further to postponements, for 02.04.2014 while the hearing for the remaining three petitions has been set on 06.05.2014 (again, further to successive postponements). In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the second, third and fourth petitions for annulment will be accepted. The fifth petition for annulment will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (the decision under annulment not being an enforceable administrative act).
- As far as the subsidiary company "LAMDA DOMI SA" is concerned, a petition for annulment had been filed relating to the building of the former International Broadcasting Centre, on a part of which LAMDA DOMI SA has developed the business and shopping centre «Golden Hall». The petition for annulment was rejected by virtue of decision No 1517/2011 of the Second Section of the Administrative Court of Athens. Thereafter, the applicant the applicant lodged an appeal before the Council of State, which was heard on 25.09.2013. The appeal was rejected by virtue of the Court's decision No 3663/2013.

- In respect of the Company's subsidiary «LAMDA Flisvos Marina SA", one petition for annulment was pending against the ministerial decision, whereby the existing harbor basin was delineated for the project of the expansion and retrofitting of the Flisvos Marina. The petition was heard before the Fifth (E') Section of the Council of State on 05.12.2012 (further to successive postponements) and was rejected by virtue of the Court's decision No. 1990/ 2013.

- Contractor "MICHANIKI SA" undertook a significant part of the construction works for the "Mediterranean Cosmos" shopping centre in Pylaia, Thessaloniki. Both "PYLAIA SA", a subsidiary of the Company, and "MICHANIKI SA" have filed actions and counter-actions against each other, which were jointly heard on 1.4.2009. The Athens Multimember Court of 1st Instance issued decision 8172/2009 according to which the actions of "PYLAIA SA" were rejected whereas an expert was appointed in relation to the actions of "MICHANIKI SA". "PYLAIA SA" appealed against that decision and the hearing of the appeal took place, following postponements, on 28.02.2013 before the Athens Court of Appeal. The Athens Court of Appeal issued decision No. 3977/ 2013 which rejected the appeal of "PYLAIA S.A.". The Company will submit an appeal on points of law before the Supreme Court. Additionally, the hearing of the actions of "MICHANIKI SA" will take place on 27.05.2015, following a postponement, which was decided at the hearing of the case on 13.03.2013, following the submission to the Court of the expert's report which is favorable to "PYLAIA SA". Moreover, "PYLAIA SA" filed an action against "MICHANIKI SA" on 24.12.2010 for additional compensation from the above causes, the hearing of which has been set, following postponements, on 25.02.2015. Finally, "MICHANIKI S.A." filed a new lawsuit seeking compensation for amounts that "PYLAIA S.A." had collected from Alpha Bank by forfeiture of "MICHANIKI S.A."'s bank bonds. The lawsuit is set to be heard on 28.05.2015. The amount of total claims of "PYLAIA SA" against "MICHANIKI SA" is €20m (which includes the amount of €2,5m for moral damages), while "MICHANIKI SA" with said actions claims the amount of €37m (including the amount of €10.5m in compensation for moral damages). In any case, the Company's legal advisors believe that the legitimate claims of "PYLAIA SA" against "MICHANIKI SA" significantly exceed the legitimate claims of the latter against "PYLAIA SA".

- Regarding the expropriation procedure of SINGIDUNUM-BUILDINGS, part of the land acquired by SINGIDUNUM-BUILDINGS was expropriated on behalf of JP PUTEVI SRBIJE, which is a public company. As in the procedure before the competent municipality, an agreement between SINGIDUNUM-BUILDINGS and JP PUTEVI SRBIJE could not be reached, the procedure was transferred to the Municipal court. Basically, there were two separate court procedures, both of which were ruled in favour of SINGIDUNUM-BUILDINGS. First instance decisions obliged JP PUTEVI SRBIJE to compensate SINGIDUNUM-BUILDINGS with the amounts of 95m rsd (€838 th) and 279m rsd (€2.5m). The court procedure for 95m rsd (€838 th) has been finally ruled and executed, meaning that the second instance court confirmed the first instance decision, and JP PUTEVI SRBIJE has executed it in total. At this moment the second instance decision for the amount of 279m rsd (€2.5m) is awaited, as it is in the competence of the High court of Belgrade. Having in mind the identical factual and legal situation of both cases, a positive decision in this case is expected as well.

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

32. 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.

	GROUP		COMPANY	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
i) Sales of goods and services				
- sales of services	282	2.022	1.174	1.137
	282	**2.022**	**1.174**	**1.137**
ii) Purchases of goods and services				
- purchases of services	4.076	4.409	1.015	1.083
	4.076	**4.409**	**1.015**	**1.083**
iii) Dividend income	**-**	**4.320**	**4.756**	**8.868**
iv) Benefits to management				
- salaries and other short-term employment benefits	848	794	848	673
	848	**794**	**848**	**673**

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

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Receivables from related parties:				
- parent	-	27	-	-
- associates	1	103	153	350
	1	**130**	**153**	**350**

Payables to related parties:				
- parent	-	1	-	-
- associates	1.444	2.019	9	1
	1.444	**2.019**	**9**	**1**
vi) Loans to associates:				
Balance at the beginning of the period	**9.179**	**2.868**	**90.965**	**89.863**
Loans given during the period	-	7.463	-	-
Loans repaid during the period	-	(1.000)	-	(100)
Reversal of loans impairment	-	-	-	5
Interest received	-	(312)	-	-
Interest charged	412	161	1.195	1.198
Balance at the end of the period	**9.592**	**9.179**	**92.160**	**90.965**
vii) Loans from associates:				
Balance at the beginning of the period	**81.248**	**75.816**	**49.665**	**45.077**
Derecognition of related party (1)	(73.708)	-	(34.586)	-
Loans granted during the period	-	7.500	4.000	15.000
Loans repaid during the period	-	(2.126)	-	(10.500)
Borrowings transaction costs - new	-	-	(96)	-
Borrowings transaction costs - amortization	-	-	18	-
Interest paid	-	(3.288)	(115)	(2.105)
Interest charged	358	3.346	867	2.193
Balance at the end of the period	**7.898**	**81.248**	**19.752**	**49.665**
viii) Cash at bank - related parties	**-**	**75.283**	**-**	**60.140**

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.

(1) In LAMDA Development SA Group related parties at 31/12/2013, the Group of "EFG Eurobank Ergasias SA" is not included (after 28/2/2013) following the acquisition of the majority of the shares as well as the control from the Hellenic Financial Stability Fund.

33. 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 year.

Continuing operations

all amounts in € thousands	GROUP		COMPANY	
	1.1.2013 to 31.12.2013	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Loss attributable to equity holders of the Company	**(49.297)**	**(92.714)**	**(24.106)**	**(46.244)**
Weighted average number of ordinary shares in issue	40.232	40.328	40.232	40.328
Basic losses per share *(in € per share)*	**(1,23)**	**(2,30)**	**(0,60)**	**(1,15)**

Discontinued operations	GROUP		COMPANY	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Profit attributable to equity holders of the Company	**698**	**839**	**4.085**	**-**
Weighted average number of ordinary shares in issue	40.232	40.328	40.232	-
Basic profit per share *(in € per share)*	**0,02**	**0,02**	**0,10**	**0,00**

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

Continuing operations	GROUP		COMPANY	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Loss used to determine dilluted earnings per share	**(49.297)**	**(92.714)**	**(24.106)**	**(46.244)**
Weighted average number of ordinary shares in issue	40.232	40.328	40.232	40.328
Adjustment for share options:				
Employees share option scheme	122	-	122	-
Weighted average number of ordinary shares for dilluted earnings per share	**40.354**	**40.328**	**40.354**	**40.328**
Diluted losses per share *(in € per share)*	**(1,22)**	**(2,30)**	**(0,60)**	**(1,15)**

Discontinued operations	GROUP		COMPANY	
all amounts in € thousands	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**	**1.1.2013 to 31.12.2013**	**1.1.2012 to 31.12.2012**
Profit used to determine dilluted earnings per share	**698**	**839**	**4.085**	**-**
Weighted average number of ordinary shares in issue	40.232	40.328	40.232	-
Adjustment for share options:				
Employees share option scheme	122	-	122	-
Weighted average number of ordinary shares for dilluted earnings per share	**40.354**	**40.328**	**40.354**	**-**
Diluted profit per share *(in € per share)*	**0,02**	**0,02**	**0,10**	**0,00**

Diluted earnings / (losses) 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).

34. Adjustments and reclassifications

Due to the revised IAS 19 regarding the direct recognition of the past service, the Company adjusted the results of the income statement, the equity and the provision for redundancy of the previous years as follows:

Income statement	**31.12.2012 GROUP**	**31.12.2012 COMPANY**
all amounts in € thousands		
Losses before the impementation of amended IAS 19	**(98.265)**	**(46.267)**
Effect of the amended IAS 19	38	29
Income tax adjustment	(8)	(6)
Losses after the impementation of amended IAS 19	**(98.234)**	**(46.244)**

Equity	**GROUP**		**COMPANY**	
all amounts in € thousands	**31.12.2012**	**01.01.2012**	**31.12.2012**	**01.01.2012**
Equity before the impementation of amended IAS 19	**300.784**	**354.541**	**202.282**	**204.105**
Effect of the amended IAS 19	278	285	247	254
Change in the deferred tax assets that are recognized in the income statement	(55)	(57)	(49)	(51)
Equity after the impementation of amended IAS 19	**301.007**	**354.769**	**202.479**	**204.308**

Provision for redundancy	**31.12.2012 GROUP**	**31.12.2012 COMPANY**
all amounts in € thousands		
Provision for redundancy before the impementation of amended IAS 19	**713**	**548**
Effect of the amended IAS 19	(278)	(213)
Provision for redundancy after the impementation of amended IAS 19	**435**	**335**

35. Dividends per share

For the forthcoming General Meeting of the Company's Shareholders no dividend is expected to be proposed for the fiscal year 2013.

36. Income tax and unaudited tax years

Audit Tax certificate

From the 2011 financial year and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

For the Greek Group companies (as they are described below), the Audit Tax Certificate for the fiscal years of 2011 and 2012 has been issued without substantial adjustments on the tax expense and the respective tax provision, as they are presented in the annual financial statements of 2012.

According to the relevant legislation, the financial years for which an audit tax certificate has been issued will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance. Based on decision 1236/2013 issued by the Ministry of Finance, financial year 2011 will be considered final on April 30, 2014. The tax audit for the financial year 2013 is being performed by PricewaterhouseCoopers S.A. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

Company	Company
LAMDA Development SA	
LAMDA Olympia Village SA	LD Trading SA
PYLAIA SA	KRONOS PARKING SA
LAMDA Domi SA	LAMDA Erga Anaptyxis SA
LAMDA Flisvos Marina SA	LAMDA Flisvos Holding SA
LAMDA Prime Properties SA	LAMDA Waste Management SA
LAMDA Estate Development SA	GEAKAT SA
LAMDA Akinhta SA	ECE LAMDA HELLAS SA
LAMDA Dogus Marina Investments SA	MC Property Management SA

Unaudited tax years

The Company has not been audited by tax authorities for the 2009-2010 financial years.

Taking into account the audit tax certificare process described above (where applicable), the table below presents the years for which the tax audit has not been performed/completed and, therefore, the Company's and its subsidiaries' tax liabilities for these open years have not been finalized:

Company	Fiscal years unaudited by the tax authorities	Company	Fiscal years unaudited by the tax authorities
LAMDA Development SA	2009-2010	Property Development DOO	2010-2013
LAMDA Olympia Village SA	2008-2010	Property Investments DOO	2008-2013
PYLAIA SA	2010	LAMDA Development Romania SRL	2010-2013
LAMDA Domi SA	2010	LAMDA Development Sofia EOOD	2006-2013
LAMDA Flisvos Marina SA	2007-2010	SC LAMDA MED SRL	2005-2013
LAMDA Prime Properties SA	2010	EUROBANK PROPERTY SERVICES SA	2005-2013
LAMDA Estate Development SA	2010	ERB PROPERTY SERVICES SOFIA A.D.	2005-2013
LD Trading SA	2010	ERB PROPERTY SERVICES D.O.O. BEOGRA	2005-2013
KRONOS PARKING SA	2010	LAMDA Development Montenegro DOO	2007-2013
LAMDA Erga Anaptyxis SA	2010	LAMDA Development (Netherlands) BV	2008-2013
LAMDA Flisvos Holding SA	2010	Robies Services Ltd	2007-2013
LAMDA Waste Management SA	2010	Robies Proprietati Imobiliare SRL	2007-2013
GEAKAT SA	2010	SC LAMDA Properties Development SRL	2007-2013
ECE LAMDA HELLAS SA	2010	SC LAMDA Olympic SRL	2002-2013
MC Property Management SA	2010	Singidunum-Buildings DOO	2007-2013
LAMDA Akinhta SA	2010	GLS OOD	2006-2013
LAMDA Dogus Marina Investments SA	2013	TIHI EOOD	2008-2013
LAMDA Development DOO Beograd	2003-2013		

The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. The total amount of the cumulative provision made for the Group's and Company's unaudited, by the tax authorities, years amount to €1,5m and €0,7m respectively.

37. Events after the balance sheet date

The Hellenic Republic Asset Development Fund announced that the Company is the preferred investor regarding the acquisition of 100% of the share capital of the company "Helliniko A.E" aiming to the exploitation of the former Hellinikon airport area and the coastal zone, of 6.200.000 sqm total area.

The BoD of the Company decided during its meeting of 31/3/2014, to convene an Extraordinary General Assembly of Shareholders of the Company so as to propose a share capital rights issue of €150.000.000,00 in cash with a pre-emptive right in favour of existing Shareholder of the Company.

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

Figures and information for the year ended on December 31, 2013


LAMDA DEVELOPMENT S.A.

The above mentioned figures and information are not a part of the pages of the financial statements which are covered by the report of the certified auditor – accountant.

INFORMATION OF ARTICLE 10 OF LAW 3401/2005

During 2013, the following announcements / notifications have been sent to the Daily Official List Announcements and are posted on the Athens Exchange website as well as to the Company's website (www.lamda-development .net).

2/1/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
2/1/2013	Transaction Notification
11/1/2013	Document Providing Information under Law 3401/17-10-2005
18/1/2013	Trading of new shares resulted from the Share Capital Increase due to the exercise of stock Option Rights
23/1/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
23/1/2013	Transaction Notification
25/1/2013	Announcement in accordance to article 9, par. 5, of L. 3556/2007
28/1/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
28/1/2013	Transaction Notification
5/2/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
5/2/2013	Transaction Notification
5/2/2013	Announcement in relation to business development - Signing of the contract for the acquirement of the International Broadcasting Center
6/2/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
6/2/2013	Transaction Notification
21/2/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
21/2/2013	Transaction Notification

26/2/2013	Announcement of regulated information according to Law 3556/2007: Notification concerning changes in voting rights (L.3556/2007)
11/3/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
11/3/2013	Transaction Notification
11/3/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
11/3/2013	Transaction Notification
13/3/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
13/3/2013	Transaction Notification
14/3/2013	Acquisition of own shares
15/3/2013	Acquisition of own shares
19/3/2013	Acquisition of own shares
20/3/2013	Acquisition of own shares
21/3/2013	Acquisition of own shares
22/3/2013	Acquisition of own shares
22/3/2013	Financial Calendar
26/3/2013	Acquisition of own shares
27/3/2013	Response to Hellenic Capital Market Commission
28/3/2013	Acquisition of own shares
28/3/2013	Press release for the announcement of the Company's financial statements
3/4/2013	Acquisition of own shares
4/4/2013	Acquisition of own shares

5/4/2013	Acquisition of own shares
8/4/2013	Acquisition of own shares
9/4/2013	Acquisition of own shares
10/4/2013	Acquisition of own shares
11/4/2013	Acquisition of own shares
12/4/2013	Acquisition of own shares
15/4/2013	Acquisition of own shares
25/4/2013	Acquisition of own shares
9/5/2013	Acquisition of own shares
13/5/2013	Acquisition of own shares
15/5/2013	Acquisition of own shares
15/5/2013	Annual presentation for the financial performance of fiscal year 2012 to the analysts and institutional investors
16/5/2013	Acquisition of own shares
17/5/2013	Acquisition of own shares
20/5/2013	Acquisition of own shares
20/5/2013	End of period for the purchase of own shares
21/5/2013	Sale of participation in Lamda Hellix S.A.
23/5/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
23/5/2013	Transaction Notification
27/5/2013	Invitation to the Annual General Meeting of the Shareholders

28/5/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
28/5/2013	Transaction Notification
29/5/2013	Press release for the announcement of the Company's financial statements
12/6/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
12/6/2013	Transaction Notification
18/6/2013	Annual General Meeting of the Shareholders Resolutions
18/6/2013	Announcement for the purchase of own shares
25/6/2013	Announcement of regulated information according to Law 3556/2007: Notification concerning changes in voting rights (L.3556/2007)
29/8/2013	Press release for the announcement of the Company's financial statements
17/10/2013	Announcement of regulated information according to Law 3556/2007: Transaction Notification
17/10/2013	Transaction Notification
6/11/2013	Press release for the announcement of the Company's financial statements
29/11/2013	Announcement for the exercise of stock option rights