

LAMDA Development S.A.



**Condensed consolidated and company interim financial statements
in accordance with International Financial Reporting Standards
(«IFRS»)**

(1 January – 30 September 2011)

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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.

Condensed Interim Consolidated and Company Financial Statements for the nine-month period ended September 30, 2011

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Balance Sheet

	Note	GROUP		COMPANY	
		30.09.2011	31.12.2010	30.09.2011	31.12.2010
<i>all amounts in € thousands</i>					
ASSETS					
Non-current assets					
Investment property	4	629.917	643.580	1.840	1.840
Property, plant and equipment	5	43.197	43.994	504	595
Intangible assets	6	4.204	4.309	-	-
Investments in subsidiaries	7	-	-	218.590	217.992
Investments in associates	7	4.482	4.414	1.929	1.929
Available-for-sale financial assets	8	36.024	53.586	36.024	53.586
Derivative financial instruments	9	-	1	-	-
Deferred income tax assets		1.776	972	322	356
Trade and other receivables		5.439	7.591	83.653	80.944
		725.037	758.446	342.863	357.241
Current assets					
Inventories		133.286	133.361	-	-
Trade and other receivables		38.654	42.506	17.775	17.147
Current income tax assets		6.769	6.752	5.683	6.123
Cash and cash equivalents	10	136.063	150.283	61.996	79.094
		314.772	332.902	85.454	102.364
Total assets		1.039.810	1.091.348	428.317	459.606
EQUITY					
Capital and reserves attributable to equity holders of the company					
Ordinary shares		220.451	220.732	220.451	220.732
Other reserves		(31.785)	(15.189)	(35.085)	(17.673)
Retained earnings		182.618	185.579	24.487	22.962
		371.284	391.122	209.852	226.021
Minority interest in equity		11.908	12.007	-	-
Total equity		383.192	403.129	209.852	226.021
LIABILITIES					
Non-current liabilities					
Borrowings	11	540.700	571.037	202.000	220.000
Deferred income tax liabilities		59.260	58.264	-	-
Derivative financial instruments	9	2.668	2.358	916	939
Retirement benefit obligations		613	613	502	502
Other non-current liabilities		4.538	4.309	-	-
		607.779	636.581	203.419	221.442
Current liabilities					
Trade and other payables		30.963	34.620	12.046	12.143
Current income tax liabilities		310	3.418	-	-
Derivative financial instruments	9	-	1.082	-	-
Borrowings	11	17.566	12.518	3.000	-
		48.839	51.638	15.046	12.143
Total liabilities		656.618	688.219	218.465	233.585
Total equity and liabilities		1.039.810	1.091.348	428.317	459.606

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on November 23, 2011.

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Income Statement

	Note	GROUP		COMPANY	
		01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
<i>Continuing operations (all amounts in € thousands)</i>					
Revenue		61.298	61.144	984	947
Dividends		3.480	3.419	8.084	9.389
Fair value losses of investment property	4	(7.075)	(24.125)	-	-
Provision of impairment on inventories		(730)	(1.963)	-	-
Cost of inventory sales		(1.678)	(1.417)	-	-
Other direct investment property expenses	18	(19.018)	(18.721)	-	-
Employee benefit expense		(6.599)	(6.423)	(4.012)	(4.439)
Depreciation of property, plant, equipment and intangible assets		(1.889)	(1.829)	(138)	(134)
Operating lease payments		(5.336)	(4.746)	(776)	(750)
Contracting cost		(345)	(277)	-	-
Loss from sale of investment property	4	(327)	-	-	-
Profit / (loss) from participations sale in associates		-	81	-	(78)
Other operating income / (expenses) - net		(6.577)	(6.391)	(1.333)	(969)
Operating profit / (loss)		15.202	(1.250)	2.809	3.965
Finance income		3.216	3.773	5.841	6.676
Finance costs		(18.861)	(17.313)	(6.162)	(4.539)
Share of profit of associates	7	578	682	-	-
Profit / (loss) before income tax		135	(14.109)	2.488	6.102
Income tax expense	17	(3.021)	(1.471)	(963)	(1.106)
Profit / (loss) for the period		(2.885)	(15.580)	1.525	4.996
Attributable to:					
Equity holders of the Company		(2.747)	(16.133)	1.525	4.996
Minority interest		(138)	553	-	-
		(2.885)	(15.580)	1.525	4.996
Earnings / (losses) per share from continuing operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	16	(0,07)	(0,40)	0,04	0,12
Diluted	16	(0,07)	(0,39)	0,04	0,12

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Income Statement

	Note	GROUP		COMPANY	
		01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010	01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010
<i>Continuing operations (all amounts in € thousands)</i>					
Revenue		19.701	20.704	326	349
Cost of inventory sales		(155)	(225)	-	-
Other direct investment property expenses	18	(6.477)	(7.649)	-	-
Employee benefit expense		(2.380)	(2.180)	(1.555)	(1.493)
Depreciation of property, plant, equipment and intangible assets		(626)	(649)	(45)	(45)
Operating lease payments		(1.643)	(1.579)	(252)	(256)
Contracting cost		(57)	(62)	-	-
Loss from participations sale in associates		-	-	-	(83)
Other operating income / (expenses) - net		(1.502)	(1.912)	(105)	14
Operating profit / (loss)		6.861	6.448	(1.632)	(1.514)
Finance income		1.103	1.337	1.579	2.333
Finance costs		(6.547)	(5.979)	(2.394)	(1.592)
Share of profit of associates	7	158	269	-	-
Profit / (loss) before income tax		1.575	2.076	(2.447)	(773)
Income tax expense	17	(1.016)	(1.399)	192	(746)
Profit / (loss) for the period		559	676	(2.255)	(1.519)
Attributable to:					
Equity holders of the Company		435	117	(2.255)	(1.519)
Minority interest		123	559	-	-
		559	676	(2.255)	(1.519)
Earnings / (losses) per share from continuing operations for profit attributable to the equity holders of the Company during the year (expressed in € per share)					
Basic	16	0,01	0,00	(0,06)	(0,04)
Diluted	16	0,01	0,00	(0,06)	(0,04)

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Total Comprehensive Income Statement

<i>Continuing operations (all amounts in € thousands)</i>	GROUP		COMPANY	
	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
Profit / (loss) for the period	(2.885)	(15.580)	1.525	4.996
Loss from revaluation of available-for-sale assets	(17.562)	(19.353)	(17.562)	(19.353)
Profit / (loss) from cash flow hedges, after tax	618	(1.092)	18	(858)
Currency translation differences	3	783	-	-
Other comprehensive income for the period	(16.941)	(19.662)	(17.544)	(20.211)
Total comprehensive income for the period	(19.826)	(35.243)	(16.019)	(15.215)
Attributable to:				
Equity holders of the Company	(19.688)	(36.145)	(16.019)	(15.215)
Minority interest	(138)	902	-	-
	(19.826)	(35.243)	(16.019)	(15.215)

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Statement of changes in equity

	Attributable to equity holders of the Company					
	Share capital	Other reserves	Retained earnings/(losses)	Total	Minority interests	Total equity
<i>all amounts in € thousands</i>						
GROUP						
1 January 2010	217.669	4.157	224.654	446.479	40.240	486.719
Total Income :						
Loss for the period	-	-	(16.133)	(16.133)	553	(15.580)
Other comprehensive income for the period:						
Loss from revaluation of available-for-sale assets	-	(19.353)	-	(19.353)	-	(19.353)
Cash flow hedges, after tax	-	(1.414)	-	(1.414)	321	(1.092)
Currency translation differences	-	755	-	755	28	783
Total comprehensive income for the period	-	(20.012)	(16.133)	(36.145)	902	(35.243)
Transactions with the shareholders:						
Share option scheme	-	195	-	195	-	195
Dividends relating to 2009 approved by the shareholders	-	-	-	-	(1.527)	(1.527)
Treasury shares purchased	(489)	-	-	(489)	-	(489)
	(489)	195	-	(294)	(1.527)	(1.821)
30 September 2010	217.180	(15.660)	208.520	410.040	39.616	449.655
1 January 2011	220.732	(15.189)	185.579	391.122	12.007	403.129
Total Income :						
Loss for the period	-	-	(2.747)	(2.747)	(138)	(2.885)
Other comprehensive income for the period:						
Loss from revaluation of available-for-sale assets	-	(17.562)	-	(17.562)	-	(17.562)
Cash flow hedges, after tax	-	618	-	618	-	618
Currency translation differences	-	3	-	3	-	3
Total comprehensive income for the period	-	(16.941)	(2.747)	(19.688)	(138)	(19.826)
Transactions with the shareholders:						
Increase in ordinary shares of subsidiaries	-	-	-	-	39	39
Reserves	-	213	(213)	-	-	-
Share option scheme	-	132	-	132	-	132
Treasury shares purchased	(281)	-	-	(281)	-	(281)
	(281)	345	(213)	(150)	39	(111)
30 September 2011	220.451	(31.785)	182.618	371.284	11.908	383.192

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Statement of changes in equity

all amounts in € thousands

	Share capital	Other reserves	Retained earnings/(losses)	Total equity
COMPANY				
1 January 2010	217.669	2.413	21.058	241.140
Total Income :				
Profit for the period	-	-	4.996	4.996
Other comprehensive income for the period:				
Cash flow hedges, after tax	-	(858)	-	(858)
Loss from revaluation of available-for-sale assets	-	(19.353)	-	(19.353)
Total comprehensive income for the period	-	(20.211)	4.996	(15.215)
Transactions with the shareholders:				
Share option scheme	-	195	-	195
Treasury shares purchased	(489)	-	-	(489)
	(489)	195	-	(294)
30 September 2010	217.180	(17.603)	26.055	225.632
1 January 2011	220.732	(17.673)	22.962	226.021
Total Income :				
Profit for the period	-	-	1.525	1.525
Other comprehensive income for the period:				
Cash flow hedges, after tax	-	18	-	18
Loss from revaluation of available-for-sale assets	-	(17.562)	-	(17.562)
Total comprehensive income for the period	-	(17.544)	1.525	(16.019)
Transactions with the shareholders:				
Share option scheme	-	132	-	132
Treasury shares purchased	(281)	-	-	(281)
	(281)	132	-	(150)
30 September 2011	220.451	(35.085)	24.487	209.852

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Cash Flow Statement

	Note	GROUP		COMPANY	
		01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
<i>all amounts in € thousands</i>					
Cash flows from operating activities					
Cash generated from / (to) operations	12	20.571	20.177	(4.689)	(6.555)
Interest paid		(18.376)	(16.175)	(5.864)	(4.409)
Income tax paid		(3.555)	(9.747)	(30)	(6.426)
Net cash generated from operating activities		(1.360)	(5.745)	(10.584)	(17.389)
Cash flows from investing activities					
Purchases of property, plant, equipment and investment property	4, 5	(1.014)	(3.058)	(48)	(116)
Proceeds from sale of property, plant, equipment and investment property	4, 5	6.573	-	-	-
Dividends received		3.990	4.106	7.117	8.794
Loans granted to related parties	15	-	-	(114)	(5)
Interest received		3.476	3.601	2.414	3.003
Loan repayments received from related parties		-	190	-	379
Proceeds from sale / liquidation of participations		-	65	-	66
Purchases of available-for-sale financial assets	8	-	(3.212)	-	(3.212)
Increase / decrease in participations	7	-	-	(604)	(38.217)
Net cash used in investing activities		13.025	1.692	8.767	(29.308)
Cash flows from financing activities					
Purchase of treasury shares		(281)	(489)	(281)	(489)
Dividends paid to Company's shareholders		-	(1.535)	-	(8)
Increase in ordinary shares of subsidiaries		39	-	-	-
Borrowings received	11	330	-	-	-
Repayments of borrowings	11	(25.326)	(8.022)	(15.000)	(5)
Repayments of capital repayments of finance leases	11	(647)	(644)	-	-
Net cash used in financing activities		(25.885)	(10.689)	(15.281)	(497)
Net decrease in cash and cash equivalents		(14.220)	(14.741)	(17.098)	(47.194)
Cash and cash equivalents at the beginning of the period	10	150.283	216.658	79.094	148.732
Cash and cash equivalents at the end of the period	10	136.063	201.917	61.996	101.537

The notes on pages 9 to 25 form an integral part of this condensed interim financial information.

Notes to the condensed consolidated and Company interim financial statements

1. General information

These condensed interim financial statements include the interim financial statements of the company LAMDA Development S.A. (the “Company”) and the interim consolidated financial statements of the Company and its subsidiaries (together “the Group”) for the period ended September 30, 2011. The names of the subsidiaries are presented in note 7 of these financial statements.

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

The Group is activated in Greece and 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 and its website address is www.Lamda-development.net. The company is controlled by Consolidated Lamda Holdings S.A. which is domiciled in Luxembourg and therefore Group’s financial statements are included in its consolidated financial statements. The company Consolidated Lamda Holdings S.A. is controlled by Latsis family.

These financial statements have been approved for issue by the Board of Directors on November 23, 2011.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

The interim financial information of LAMDA Development SA cover the nine month period ended 30 September 2011. It has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” and should be read in conjunction with the annual financial statements for the year ended 31 December 2010 which are available on the website address www.Lamda-development.net.

The Company and Consolidated financial statements have been prepared on the going concern basis. The Group’s management estimates that the Group has adequate resources to continue in operational existence for the foreseeable future.

2.2 Accounting policies

Apart from what is mentioned in the following, the accounting principles that have been used in the preparation and presentation of the interim financial statements are in accordance with those used for the preparation of the Company and Group annual financial statements as of December 31, 2010.

During the current period, no significant items or exceptional transactions in relation to the Group’s Companies’ activities took place that should be disclosed and described separately in the financial statements.

The preparation of financial information in accordance with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company’s accounting policies. Also, the use of estimates and assumptions that have an influence on the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period, are required. Although these estimates are based on the best possible knowledge of management with respect to the current conditions and activities, the real results can eventually differ from these estimates.

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning from on 1 January 2011. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is that they will not cause significant changes to the financial statements.

Standards mandatory effective for the current financial year

IAS 24 (Revised) "Related Party Disclosures"

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Group.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 “Presentation of Financial Statements”

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 “Consolidated and Separate Financial Statements”

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 “Interim Financial Reporting”

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 “Customer Loyalty Programmes”

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)

IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)

IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 “Fair Value Measurement” (Effective for annual periods beginning on or after 1 January 2013)

IFRIC 20 “Stripping costs in the production phase of a surface mine” (Effective for annual periods beginning on or after 1 January 2013)

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

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 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. 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 11 “Joint Arrangements”

IFRS 12 “Disclosure of Interests in Other Entities”

IAS 27 (Amendment) “Separate Financial Statements”

IAS 28 (Amendment) “Investments in Associates and Joint Ventures”

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

3. 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 nine month period ended 30 September 2011 were as follows:

<i>Continuing operations (all amounts in € thousands)</i>	Real Estate	Marine Services	Total
Total revenue	52.278	9.075	61.353
Inter-segment revenue	(56)	-	(56)
Revenue from third parties	52.222	9.075	61.298
EBITDA	20.270	(1.014)	19.257

The segment results for the nine month period ended 30 September 2010 were as follows:

<i>Continuing operations (all amounts in € thousands)</i>	Real Estate	Marine Services	Total
Total revenue	51.460	9.761	61.220
Inter-segment revenue	(76)	-	(76)
Revenue from third parties	51.383	9.761	61.144
EBITDA	484	2.754	3.238

The segment results for the three month period ended 30 September 2011 were as follows:

<i>Continuing operations (all amounts in € thousands)</i>	Real Estate	Marine Services	Total
Total revenue	16.519	3.203	19.722
Inter-segment revenue	(22)	-	(22)
Revenue from third parties	16.497	3.203	19.701
EBITDA	9.041	80	9.122

Condensed interim financial statements

30 September 2011

The segment results for the three month period ended 30 September 2010 were as follows:

<i>Continuing operations (all amounts in € thousands)</i>			
	Real Estate	Marine Services	Total
Total revenue	17.158	3.542	20.699
Inter-segment revenue	6	-	6
Revenue from third parties	17.163	3.542	20.705
EBITDA	7.801	1.032	8.833
Total assets	Real Estate	Marine Services	Total
30 September 2011	951.924	50.086	1.002.011
31 December 2010	988.203	48.588	1.036.791
30 September 2010	1.046.829	51.664	1.098.493

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

Adjusted EBITDA for reportable segments	30/09/2011	30/09/2010
EBITDA	19.257	3.238
Corporate overheads	(5.318)	(6.158)
Depreciation	(1.889)	(1.829)
Dividends	3.480	3.419
Profit from participations sale in associates	-	81
Loss from sale of investment property	(327)	-
Share of profit of associates	578	682
Finance income	3.216	3.773
Finance costs	(18.861)	(17.313)
Profit / (loss) before income tax	135	(14.109)
Income tax expense	(3.021)	(1.471)
Loss for the period	(2.885)	(15.580)

Reportable segments' assets are reconciled to total assets as follows:

	30 September 2011	31 December 2010	30 September 2010
Total segment assets	1.002.011	1.036.791	1.098.493
Deferred income tax assets	1.776	972	791
Available-for-sale financial assets	36.024	53.586	54.036
Total assets per balance sheet	1.039.810	1.091.348	1.153.320

4. Investment property

	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
<i>all amounts in € thousands</i>				
Balance at 1 January	643.580	675.189	1.840	1.840
Additions resulting from subsequent expenditure	-	637	-	-
Increase in joint ventures shareholdings	-	3.802	-	-
Transfer from inventories	312	330	-	-
Sales ⁽¹⁾	(6.900)	-	-	-
Fair value losses	(7.075)	(36.377)	-	-
Balance at 30 September	629.917	643.580	1.840	1.840

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

The investment property market continues to be impacted by the adverse economic conditions in Greece. The Group's retail investment property portfolio, which accounts for 85% of the total investment property portfolio, declined by a further €4,1m. or 0,75% since 31 December 2010 during which financial year a fair value loss of €21,4m. or 4% respectively was recognized. These fair value changes, which are significantly lower than those noted for retail space in the high streets, reflect the continuing high demand for retail space within large and successful shopping malls in Athens and Thessaloniki.

(1) The Company's subsidiary LAMDA Estate Development SA proceeded on 12/5/2011 to the sale of 1.314 sq.m. of offices on Othonos str, Athens for a total consideration of €6,573k. The passing yield of the investment is 7.75% annually. The purchaser company is Eurobank Properties REIC. The above-mentioned sale lies within the general frame of the Company's strategy as it has been announced.

The investment property includes property under finance lease that amounts to €10,4m and property under operating lease that amounts to €290,4m.

Bank borrowings are secured with mortgages on "The Mall Athens", associate's "LAMDA Olympia Village SA" investment property, which amount to € 336m (note 14). Group's proportion on the above mortgages amounts to €193,2m.

In relation to the mortgages on property, refer to note 14.

5. Property, plant and equipment

<i>all amounts in € thousands</i>	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Software	Assets under construction	Total
GROUP - Cost						
1 January 2010	32.026	11.824	4.716	2.421	3.560	54.545
Increase in joint ventures shareholdings	1	5	14	-	-	20
Additions	132	187	479	51	2.121	2.970
Disposals	-	(1)	(16)	-	-	(17)
Reclassifications	5.134	533	-	-	(5.667)	-
Sale of subsidiaries	-	-	4	2	-	6
31 December 2010	37.292	12.548	5.197	2.474	12	57.524
1 January 2011	37.292	12.548	5.197	2.474	12	57.524
Additions	16	12	150	19	817	1.014
Disposals / Write-offs	-	(60)	(8)	-	-	(68)
30 September 2011	37.308	12.500	5.339	2.494	829	58.470
Accumulated depreciation						
1 January 2010	(3.228)	(3.476)	(2.195)	(2.334)	-	(11.236)
Increase in joint ventures shareholdings	-	(2)	(7)	-	-	(10)
Depreciation charge	(1.055)	(430)	(745)	(65)	-	(2.294)
Disposals	-	1	14	-	-	14
Sale of subsidiaries	-	-	(3)	(2)	-	(6)
31 December 2010	(4.282)	(3.908)	(2.937)	(2.402)	-	(13.531)
1 January 2011	(4.282)	(3.908)	(2.937)	(2.402)	-	(13.531)
Depreciation charge	(846)	(315)	(569)	(53)	-	(1.784)
Disposals / Write-offs	-	32	7	-	-	39
30 September 2011	(5.130)	(4.191)	(3.498)	(2.455)	-	(15.273)
Closing net book amount at 31 December 2010	33.008	8.638	2.260	72	12	43.994
Closing net book amount at 30 September 2011	32.179	8.309	1.841	39	829	43.191

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all amounts in € thousands

	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Software	Total
COMPANY - Cost					
1 January 2010	300	40	1.046	2.371	3.757
Additions	-	50	48	25	123
31 December 2010	300	90	1.094	2.396	3.881
1 January 2011	300	90	1.094	2.396	3.881
Additions	-	4	28	15	48
Disposals	-	-	(8)	-	(8)
30 September 2011	300	95	1.115	2.411	3.921
Accumulated depreciation					
1 January 2010	(159)	(13)	(640)	(2.294)	(3.107)
Depreciation charge	(12)	(10)	(115)	(42)	(179)
31 December 2010	(171)	(24)	(755)	(2.337)	(3.286)
1 January 2011	(171)	(24)	(755)	(2.337)	(3.286)
Depreciation charge	(9)	(8)	(89)	(32)	(138)
Disposals	-	-	7	-	7
30 September 2011	(179)	(32)	(837)	(2.368)	(3.417)
Closing net book amount at 31 December 2010	130	67	339	59	595
Closing net book amount at 30 September 2011	121	63	277	43	504

6. Intangible assets

all amounts in € thousands

	Concessions and similar rights
COMPANY - Cost	
1 January 2010	5.469
Additions	-
31 December 2010	5.469
1 January 2011	5.469
Additions	-
30 September 2011	5.469
Συσσωρευμένες αποσβέσεις	
1 January 2010	(1.020)
Depreciation charge	(140)
31 December 2010	(1.160)
1 January 2011	(1.160)
Depreciation charge	(105)
30 September 2011	(1.265)
Closing net book amount at 31 December 2010	4.309
Closing net book amount at 30 September 2011	4.204

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.

7. Investments in subsidiaries and associates

<i>all amounts in € thousands</i>	30.09.2011	31.12.2010
Balance at 1 January	219.921	175.873
Increase in joint ventures shareholdings	-	1.575
Increase / decrease in participations	604	41.717
Reversal of provision of impairment	-	131
Purchase / sale of subsidiaries	-	625
Liquidation of subsidiaries	(6)	-
Balance at 30 September	220.519	219.921

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:

COMPANY - 30 September 2011 (all amounts in € thousands)

Name	Cost	Impairment	Carrying amount	Country of incorporation	% interest held
LAMDA ESTATE DEVELOPMENT SA	44.547	13.164	31.383	Greece	100,00%
LAMDA PRIME PROPERTIES SA	9.272	-	9.272	Greece	100,00%
LAMDA ERGA ANAPTYXIS SA	170	-	170	Greece	100,00%
LAMDA DOMI SA	33.000	-	33.000	Greece	100,00%
LAMDA PROPERTY MANAGEMENT SA	210	-	210	Greece	100,00%
LAMDA HELIX SA	1.240	-	1.240	Greece	80,00%
PYLAIA SA	4.035	-	4.035	Greece	60,10%
LAMDA FLISVOS HOLDING SA	10.834	2.484	8.350	Greece	61,00%
LAMDA WASTE MANAGEMENT SA	150	-	150	Greece	100,00%
GEAKAT SA	14.213	-	14.213	Greece	100,00%
MC PROPERTY MANAGEMENT SA	745	-	745	Greece	100,00%
LAMDA DEVELOPMENT SOFIA E.O.O.D.	183	-	183	Bulgaria	100,00%
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	942	-	942	Serbia	100,00%
PROPERTY DEVELOPMENT D.O.O.	3.801	-	3.801	Serbia	100,00%
PROPERTY INVESTMENTS LTD	1	-	1	Serbia	100,00%
LAMDA DEVELOPMENT ROMANIA SRL	201	-	201	Romania	100,00%
ROBIES SERVICES LTD	1.638	-	1.638	Cyprus	90,00%
LAMDA DEVELOPMENT (NETHERLANDS) BV	74.828	-	74.828	Netherlands	100,00%
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	600	-	600	Montenegro	100,00%
Investments in subsidiaries	200.608	15.648	184.960		
LAMDA OLYMPIA VILLAGE SA	28.681	-	28.681	Greece	50,00%
LAMDA AKINHTA SA	4.904	-	4.904	Greece	50,00%
S.C. LAMDA OLYMPIC SRL	752	707	45	Romania	50,00%
Investments in joint ventures	34.337	707	33.630		
ECE LAMDA HELLAS SA	204	-	204	Greece	34,00%
ATHENS METROPOLITAN EXPO SA	1.559	-	1.559	Greece	11,70%
PIRAEUS METROPOLITAN CENTER SA	101	-	101	Greece	19,50%
EFG PROPERTY SERVICES SA	30	-	30	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15	-	15	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20	-	20	Serbia	20,00%
Investments in associates	1.929	-	1.929		
TOTAL	236.874	16.355	220.519		

The Group participates in the following companies' equity:

GROUP - Investments in associates	30 September 2011			Country of incorporation	% interest held
	Cost	Share in profit / (loss)	Carrying amount		
ECE LAMDA HELLAS SA	204	484	688	Greece	34,00%
ATHENS METROPOLITAN EXPO SA	1.559	-	1.559	Greece	11,67%
PIRAEUS METROPOLITAN CENTER SA	101	-	101	Greece	19,50%
EFG PROPERTY SERVICES SA	30	46	76	Romania	20,00%
EFG PROPERTY SERVICES SOFIA A.D.	15	416	431	Bulgaria	20,00%
EFG PROPERTY SERVICES D.O.O. BEOGRAD	20	166	186	Serbia	20,00%
S.C. LAMDA MED SRL	0,5	1.441	1.441	Romania	40,00%
TOTAL	1.930	2.552	4.482		

During the period ended 30 September 2011 the following significant events have occurred:

Share capital increase

The Company increased its participation in the subsidiaries “LAMDA DOMH SA”, “LAMDA Development Netherlands BV”, “Property Development DOO”, “LAMDA Development DOO Beograd”, “GEAKAT SA”, “LAMDA Flisvos Holding SA” and “ LAMDA Development Sofia EOOD” by €2,5m, €3,4m, €2,3m, €0,3m, €0,2m, €0,1m and €0,1m respectively. In the contrary, the Company’s 100% subsidiary “LAMDA Estate Development SA” proceeded in share capital decrease by €8,1m. Also, the Company’s subsidiary “LAMDA Development Vitosha EOOD” and “LAMDA Development South EOOD” proceeded to dissolution and liquidation without any further loss / profit at Group level.

The Group’s composition on September 30, 2011 is as follows:

<u>Company</u>		<u>%</u> <u>Participation of</u> <u>the parent</u> <u>company</u>	<u>Company</u>		<u>%</u> <u>Participation of</u> <u>the parent</u> <u>company</u>
LAMDA Development SA		Parent company			
Full consolidation					
LAMDA Estate Development SA	Greece	100,00%	TIHI EOOD	Bulgaria	Indirect 100,00%
KRONOS PARKING SA	Greece	Indirect 100,00%	LAMDA Development (Netherlands) BV	Netherlands	100,00%
LAMDA Prime Properties SA	Greece	100,00%	Robies Services Ltd	Cyprus	90,00%
PYLAIA SA	Greece	60,10%			
LAMDA Flisvos Holding SA	Greece	61,00%	Proportionate consolidation		
LAMDA Flisvos Marina SA	Greece	Indirect 47,11%	LAMDA Olympia Village SA	Greece	50,00%
LAMDA Erga Anaptyxis SA	Greece	100,00%	LAMDA Akinhta SA	Greece	50,00%
LAMDA Domi SA	Greece	100,00%	LAMDA Redding Contracting Consortium	Greece	Indirect 50,00%
LAMDA Property Management SA	Greece	100,00%	Singidunum-Buildings DOO	Serbia	Indirect 50,00%
LAMDA Hellix SA	Greece	80,00%	SC LAMDA Olympic SRL	Romania	50,00%
LAMDA Waste Management SA	Greece	100,00%	GLS OOD	Bulgaria	Indirect 50,00%
GEAKAT SA	Greece	100,00%	S.L. Imobilia DOO	Croatia	Indirect 50,00%
MC Property Management SA	Greece	100,00%			
LAMDA Development DOO Beograd	Serbia	100,00%	Equity consolidation		
Property Development DOO	Serbia	100,00%	ECE LAMDA HELLAS SA	Greece	34,00%
Property Investments DOO	Serbia	100,00%	ATHENS METROPOLITAN EXPO SA	Greece	11,67%
LAMDA Development Montenegro DOO	Montenegro	100,00%	Piraeus Metropolitan Center SA	Greece	19,50%
LAMDA Development Romania SRL	Romania	100,00%	SC LAMDA MED SRL	Romania	Indirect 40,00%
Robies Proprietati Imobiliare SRL	Romania	Indirect 90,00%	EFG PROPERTY SERVICES SA	Romania	20,00%
SC LAMDA Properties Development SRL	Romania	Indirect 95,00%	EFG PROPERTY SERVICES DOO BEOGRAD	Serbia	20,00%
LAMDA Development Sofia EOOD	Bulgaria	100,00%	EFG PROPERTY SERVICES SOFIA AD	Bulgaria	20,00%

8. Available-for-sale financial assets

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Balance at 1 January	53.586	70.177	53.586	70.177
Additions	-	3.212	-	3.212
Reserves from revaluation recognised directly in equity	(17.562)	(19.803)	(17.562)	(19.803)
Balance at 30 September	36.024	53.586	36.024	53.586

The total amount of available-for-sale financial assets refers to 9.005.987 shares (31/12/2010: 9.005.987 shares) of the listed company Eurobank Properties R.E.I.C., which have been revaluated at fair value at September 30, 2011 and December 31, 2010 and the result (profit / loss) has been transferred to the relevant reserves in equity. The Company’s participation is 14.76% (31/12/2010: 14.76%).

Regarding the afore-mentioned financial assets, we should mention that no impairment loss has been transferred from reserves to the income statement, since there was not any indication for impairment of this investment on September 30, 2011 and December 31, 2010.

9. Derivative financial instruments

<i>all amounts in € thousands</i>	GROUP				COMPANY			
	30.09.2011		31.12.2010		30.09.2011		31.12.2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - fair value h	-	-	1	-	-	-	-	-
Interest rate swaps - cash flow h	-	2.668	-	3.440	-	916	-	939
Total	-	2.668	1	3.440	-	916	-	939
Non-current	-	2.668	1	2.358	-	916	-	939
Current	-	-	-	1.082	-	-	-	-
Total	-	2.668	1	3.440	-	916	-	939

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. 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 in abeyance at 30/9/2011 was €92m. The interest rate swaps have been measured at fair value stated by the counterpart bank. The swaps have been valued at fair value which was estimated by the counterparty. On 30/9/2011 the long-term borrowings floating rates are secured with interest risk derivatives (swaps) ranged according to 3 month Euribor plus 1.63%.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

10. Cash and cash equivalents

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Cash at bank	15.875	18.777	1.316	825
Cash in hand	232	326	5	6
Short-term bank deposits	119.956	131.180	60.676	78.263
Total	136.063	150.283	61.996	79.094

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

11. Borrowings

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Non-current				
Bank borrowings	26.260	26.302	-	-
Bond borrowings	506.896	536.501	202.000	220.000
Finance lease liabilities	7.544	8.234	-	-
Total non-current	540.700	571.037	202.000	220.000

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Current			
Bank borrowings	414	95	-
Bond borrowings	16.190	11.504	3.000
Finance lease liabilities	962	919	-
Total current	17.566	12.518	3.000
<hr/>			
Total borrowings	558.266	583.556	205.000
<hr/>			

The movements in borrowings are as follows:

12 months ended 31 December 2010 (amounts in € thousands)		GROUP	COMPANY
Balance at 1 January 2010		607.601	235.000
Increase in joint ventures shareholdings		1.926	-
Borrowings transaction costs - amortization		466	-
Borrowings repayments		(25.538)	(15.000)
Currency translation differences		12	-
Finance lease repayments		(910)	-
Balance at 31 December 2010		583.556	220.000
<hr/>			
9 months ended 30 September 2011 (amounts in € thousands)		GROUP	COMPANY
Balance at 1 January 2011		583.556	220.000
Bank borrowings		330	-
Borrowings transaction costs - amortization		353	-
Borrowings repayments		(25.326)	(15.000)
Finance lease repayments		(647)	-
Balance at 30 September 2011		558.266	205.000

Borrowings are secured with mortgages on the Group's land and buildings (note 4 and 5) and in certain cases 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	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
<i>all amounts in € thousands</i>				
Between 1 and 2 years	134.111	88.389	96.500	75.000
Between 2 and 5 years	282.552	380.276	73.500	145.000
Over 5 years	124.037	102.372	32.000	-
Total	540.700	571.037	202.000	220.000

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

The effective weighted average interest rates at September 30, 2011 are as follows:

	GROUP	COMPANY
Current bank borrowings	2,81%	0,00%
Non-current bank borrowings	5,48%	0,00%
Current bond borrowings	3,88%	4,41%
Non-current bond borrowings	3,97%	3,35%

By taking into account the participation interest held of each company, it is noted that on 30/9/2011, the average base effective interest rate that the Group is borrowed is 2.36% and the average bank spread is 1.91%. Therefore, the Group total effective borrowing rate is 4.26%.

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 and the Company and the Group fulfil them as in the last reporting period.

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Finance leases

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Finance lease liabilities- minimum lease payments				
Not later than 1 year	1.217	1.141	-	-
Later than 1 year but not later than 5 years	4.662	4.534	-	-
Over 5 years	3.728	4.561	-	-
Total	9.607	10.236	-	-
Less: Future finance charges on finance leases	(1.101)	(1.083)	-	-
Present value of finance lease liabilities	8.506	9.153	-	-

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

<i>all amounts in € thousands</i>	30.09.2011	31.12.2010	30.09.2011	31.12.2010
	Not later than 1 year	962	919	-
Later than 1 year but not later than 5 years	3.977	3.885	-	-
Over 5 years	3.568	4.349	-	-
Total	8.506	9.153	-	-

12. Cash generated from operations

<i>all amounts in € thousands</i>	Note	GROUP		COMPANY	
		01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
Profit / (loss) for the period		(2.885)	(15.580)	1.525	4.996
<u>Adjustments for:</u>					
Tax		3.021	1.471	963	1.106
Depreciation of property, plant and equipment	5	1.784	1.724	138	134
Depreciation of intangible assets	6	105	105	-	-
Proceeds from participation sale		-	(81)	-	54
Reversal of provision of impairment		-	-	-	(131)
Provisions for bad debts		1.095	2.719	-	-
Provisions		262	210	203	173
Share of profit of associates	7	(578)	(682)	-	-
Proceeds from dividends		(3.480)	(3.419)	(8.084)	(9.389)
Share option scheme		165	256	165	256
Loss from sale of investment property		327	-	-	-
Interest income		(3.216)	(3.773)	(5.841)	(6.676)
Interest expense		18.861	17.313	6.162	4.539
Provision for inventory impairment		730	1.963	-	-
Fair value losses of investment property	4	7.075	24.125	-	-
Other non cash income / (expense)		20	-	5	24
		23.285	26.352	(4.764)	(4.914)
Changes in working capital:					
(Increase) / decrease in inventories		(967)	405	-	-
(Increase) / decrease in receivables		2.613	1.187	203	(208)
Decrease in payables		(4.361)	(7.767)	(128)	(1.433)
		(2.714)	(6.175)	75	(1.641)
Cash generated from operations		20.571	20.177	(4.689)	(6.555)

13. 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 tangible assets, land, buildings, vehicles and mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
No later than 1 year	18.523	18.676	979	948
Later than 1 year and not later tha	79.143	80.169	3.911	3.830
Later than 5 years	869.927	928.922	4.767	5.516
Total	967.594	1.027.767	9.657	10.293

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

14. 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	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
Liabilities <i>(all amounts in € thousands)</i>				
Letters of guarantee to creditors	26.161	26.372	157	345
Letters of guarantee to customers securing contract performance	357	356	-	-
Mortgages over land & buildings	193.200	193.200	-	-
Guarantees to banks on behalf of subsidiaries	1.599	1.599	24.659	24.659
Other	35.628	35.770	35.593	35.593
Total	256.944	257.298	60.409	60.596

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 2008. For further information regarding the Group's unaudited fiscal years refer to note 17. 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 €9,8m approximately has been imposed. The Company has appealed to the administrative courts, paying during 2005 €836k, €146k approximately during 2006 and €27k during 2007 (which is included in Deposits and Other Debtors). The estimate of the management is that the imposal of the income tax is without base due to the special law provisions on the law for Olympic works. In any case, if the outcome of the case is negative, according to the share sale agreement between the Municipality of Amaroussion and the Company, the total obligation will be on the Municipality, as it relates to transfers of properties before the acquisition of the shares of the subsidiary by the Company.
- Five (5) petitions of annulment have been filled and are pending before the State Council 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 Centre "The Mall Athens" were built. More specifically: the first of these petitions was heard on 03.05.2006 and the decision no 391/2008 of the Fifth Department of the State Council was issued committing for the Plenary Session of the State Council. 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 of annulment until the issuance of a decision by the ACC in another case, which raised, in the opinion of the Council of State, such legal issues as those considered in the petition of annulment. The hearing of the second petition has been set, further to

postponements, for the 11.1.2012 while the hearing for the remaining three petitions has been set for 14.2.2012 (again, further to successive postponements). The outcome of the cases relating to the second, third, fourth and fifth petition for repeal depends largely on the content of the decision under issuance by the Council of State, in plenary session, with regards to the first petition of annulment.

- In respect of the Company's subsidiary «LAMDA Flisvos Marina SA» a petition for annulment is pending before the State Council, against the ministerial decision, whereby the existing harbour basin was delineated. The hearing of this case has been set, further to postponements, for the 7.12.2011. The Company expects a favorable outcome in respect of this case. The two petitions for annulment which were heard on 4.3.2009 were rejected with the decisions No. 1241/2011 and 1242/2011.
- The company "MICHANIKI SA" undertook substantial part of the construction works for the «Mediterranean Cosmos» shopping center in Pylea, Thessaloniki. Both "PYLEA SA", the subsidiary company of the Company and the company "MICHANIKI SA" have filed actions and counter-actions, which were jointly heard on 1.4.2009. The Athens Multi Member Court of First Instance, under its decision 8172/2009, rejected the actions of "PYLEA SA" and ordered the appointment of an expert with regards to the lawsuits of "MICHANIKI SA." "PYLEA SA" has launched an appeal against this decision, which is to be heard in front of the Athens Court of Appeal at 1.12.2011. Furthermore, no date has been appointed yet for the hearing of the lawsuits of "MICHANIKI SA", as the expert's report has not yet been delivered to the Court. The amount of total claims of "PYLEA SA" against "MICHANIKI SA" is € 18m (including the amount of €2m in compensation for moral damages), while "MICHANIKI SA" with its lawsuits claims the amount of €35m (including the amount of €10m in compensation for moral damages). In any case, the Company's legal counsels believe that the legitimate claims "PYLEA SA" against "MICHANIKI SA" significantly exceed the reasonable claims of the latter against "PYLEA SA".

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

15. Related party transactions

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

The following transactions were carried out with related parties:

	GROUP		COMPANY	
	1.1.2011 to 30.09.2011	1.1.2010 to 30.09.2010	1.1.2011 to 30.09.2011	1.1.2010 to 30.09.2010
<i>all amounts in € thousands</i>				
i) Sales of goods and services				
- sales of services	2.019	2.140	872	819
	2.019	2.140	872	819
ii) Purchases of goods and services				
- purchases of services	2.572	4.364	816	755
	2.572	4.364	816	755
iii) Dividend income	3.990	3.419	8.084	9.389
iv) Benefits to management				
- salaries and other short-term employment benefits	241	351	241	351
	241	351	241	351

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

	GROUP		COMPANY	
	30.09.2011	31.12.2010	30.09.2011	31.12.2010
<i>all amounts in € thousands</i>				
Receivables from related parties:				
- parent	5	62	-	-
- associates	111	100	251	570
	116	163	251	570
Payables to related parties:				
- parent	45	1	-	-
- associates	329	1.844	73	9
	374	1.845	73	9

vi) Loans to associates:

Balance at the beginning of the period	2.720	2.747	85.933	81.107
Loans given during the period	-	-	114	5
Loans repaid during the period	-	(190)	-	(379)
Currency translation differences	22	36	-	-
Reversal of loans impairment	-	-	2.589	4.011
Interest charged	95	127	890	1.190
Balance at the end of the period	2.836	2.720	89.526	85.933

vii) Loans from associates:

Balance at the beginning of the period	77.849	79.373	45.196	45.172
Loans repaid during the period	(1.257)	(1.553)	-	-
Interest paid	(1.842)	(1.752)	(888)	(997)
Interest charged	2.087	1.780	1.129	1.021
Balance at the end of the period	76.837	77.849	45.437	45.196

viii) Cash at bank - related parties

	52.853	53.099	32.305	37.025
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Services from and to related parties, as well as sales and purchases of goods, are based on the price lists in force with non-related parties.

The Group loans to and from related parties are included in note 11.

16. Earnings per share

Basic

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding during the period

Continuing operations

	GROUP		COMPANY	
	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
<i>all amounts in € thousands</i>				
Profit / (loss) attributable to equity holders of the Company	(2.747)	(16.133)	1.525	4.996
Weighted average number of ordinary shares in issue	40.707	40.747	40.707	40.747
Basic earnings / (losses) per share (Euro per share)	(0,07)	(0,40)	0,04	0,12

Diluted

Continuing operations	GROUP		COMPANY	
	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010	01.01.2011 to 30.09.2011	01.01.2010 to 30.09.2010
<i>all amounts in € thousands</i>				
Profit / (loss) used to determine diluted earnings per share	(2,747)	(16,133)	1,525	4,996
Weighted average number of ordinary shares in issue	40,707	40,747	40,707	40,747
Adjustment for share options:				
Employees share option scheme	-	162	-	162
Weighted average number of ordinary shares for diluted earnings per share	40,707	40,909	40,707	40,909
Diluted earnings / (losses) per share (Euro per share)	(0,07)	(0,39)	0,04	0,12

There were no dilutive potential ordinary shares. Therefore, the diluted earnings per share are the same as the basic earnings per share for all periods presented.

17. Fiscal years unaudited by the tax authorities

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.

During the comparative period that ended on 30/9/2010, in the income tax, the amount of €2,589k was recognized as a social responsibility contribution contrary to the current reporting period when such tax has not been charged.

<u>Company</u>	<u>Fiscal years unaudited by the tax authorities</u>	<u>Company</u>	<u>Fiscal years unaudited by the tax authorities</u>
LAMDA Development SA	2009-2011	LAMDA Development DOO Beograd	2003-2011
LAMDA Olympia Village SA	2008-2011	Property Development DOO	2010-2011
PYLAIA SA	2009-2011	Property Investments DOO	2008-2011
LAMDA Domi SA	2009-2011	LAMDA Development Romania SRL	2010-2011
LAMDA Flisvos Marina SA	2007-2011	LAMDA Development Sofia EOOD	2006-2011
LAMDA Prime Properties SA	2005-2011	SC LAMDA MED SRL	2005-2011
LAMDA Hellix SA	2010-2011	EFG PROPERTY SERVICES SA	2005-2011
LAMDA Estate Development SA	2010-2011	EFG PROPERTY SERVICES DOO BEOGRAD	2005-2011
LAMDA Property Management SA	2010-2011	EFG PROPERTY SERVICES SOFIA AD	2005-2011
KRONOS PARKING SA	2010-2011	LAMDA Development Montenegro DOO	2007-2011
LAMDA Erga Anaptyxis SA	2010-2011	LAMDA Development (Netherlands) BV	2008-2011
LAMDA Flisvos Holding SA	2010-2011	Robies Services Ltd	2007-2011
LAMDA Waste Management SA	2010-2011	Robies Proprietati Imobiliare SRL	2007-2011
GEAKAT SA	2010-2011	SC LAMDA Properties Development SRL	2007-2011
LAMDA Redding Contracting Consortium	2006-2011	SC LAMDA Olympic SRL	2002-2011
ECE LAMDA HELLAS SA	2010-2011	Singidunum-Buildings DOO	2007-2011
MC Property Management SA	2010-2011	GLS OOD	2006-2011
ATHENS METROPOLITAN EXPO SA	2010-2011	TIHI EOOD	2008-2011
Piraeus Metropolitan Center SA	2010-2011	S.L. Imobilia DOO	2008-2011
LAMDA Akinhta SA	2010-2011		

18. Other direct investment property expenses

According to the new Law 4021/3.10.2011, during the nine-month period that ended 30 September 2011, the amount of €1.049k regarding the provision of extraordinary property tax imposed through electricity bills has been recognised in the line “Other direct investment property expenses” in the Group’s income statement.

19. Number of employees

Number of employees at the end of the period: Group 150, Company 64 (nine month period ended 30 September 2010: Group 142, Company 72) from which there are no seasonal (nine month period ended 30 September 2010: Group 0, Company 0).

20. Events after the balance sheet date

There are no other events after the balance sheet date considered to be material to the financial position of the Company.

21. Seasonality

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