HOTEL
GRANDE BRETAGNE
Athens

GROUP “LAMPSA SA”
HOTEL GRAND BRETAGNE

ANNUAL FINANCIAL STATEMENTS
For the period from
January 1, to December 31, 2006

It is certified that the attached financial statements for the period 01/01-31/12/2006 are the ones approved by the members of the Board of the Directors of the company “Lampsa Hellenic hotels SA” at the 28/3/2007 and that they are published through the Internet to the web-site www.grandebretagne.gr.The published to the press financial statements provide to the reader some general financial information but they do not present the complete financial position of the company and the group and its results according to the International Financial Reporting Standards. Also, in order to simplify the published financial statements some reclassifications and retractions of items are done.

MAURICE MODIANO

President of the Board of the Directors

LAMPSA HELLENIC HOTELS SA

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1. REPORT OF THE BOARD OF THE DIRECTORS

**REPORT OF THE BOARD OF THE DIRECTORS
OF THE GROUP "LAMPSA SA"
TO THE GENERAL ASSEMBLY OF
THE SHAREHOLDERS OF THE YEAR 2007.**

Shareholders,

We submit the financial statements of the company and the group "LAMPSA SA".
In the present period, the companies that appear at the "group structure" were incorporated for the first time, due to the acquisition, at the 6th June 2006, of the affiliated LUELLA ENTERPRISES LTD and through it the ownership of the company North Haven Ltd, owning company of the 51% of the capital share of the company Beogradsko Mesovito Preduzecee A.D. owning company of the hotel Hyatt Belgrade.

THE COMPANY

The financial statements concern the 87th fiscal, year 1st January 2006 –31st December 2006.
The profit before taxes for the year end amounts to euros 5.743.406, 30 when the profit of the previous year was euros 4.397.657,84, the gains after taxes amounted euros 4.615.792,49 against euros 3.439.875,89 of the previous year .The company improved a lot the financial results. The hotel "Grand Bretagne" restarted its operations, after a complete renovation, partly at 17th March 2003 and totally at 15th September 2003, so this year is the third year of a complete hotel operation and without the effect of the Olympic Games 2004. During these three years the company improves considerably, every year, the results.

The yearly gains are due to:

a) A raise of the turnover basically from the room revenues (11% raise), the food and beverage departments (13% raise), the other revenues (13.5% raise) and the raise in the occupancy (1,4% raise) and the average room rate (10% raise) ,also due to a considerable penetration to the local and foreign tourist market.
b) The decrease of the operating cost that improved the gross results (21, 13 % on the revenues) against the previous year (18, 87 % on the revenues).

The company had gains despite the fact that the results were charged by:

a) The high amount of depreciations due to the building renovation and the purchases of new equipment.
b) The high amount of interests for the loan taken. During the first semester of 2006 the company received bond loan from EFG Eurobank Ergasias with better terms than the previous long-term loan which was paid off. The interests are going to be less for the futures years.

For the fiscal year the gains after taxes were **euro 4.615.792, 49.**

The Board of the Directors announced that the proposed dividend per share is euro 0, 08 for the reasons described below:
a) The company transfers tax losses of euros 3, 7 millions due to the losses of the years 2002 and 2003, losses that if they are not set off in the next five years will be erased. So, the rest non-distributed amount will set off a part of the losses and it can be distributed in future years with lower tax factor.
b) As it is already announced the company sees to the possibility for further development and it is possible to need cash.

The turnover of the company for the year 2006 was euro **34.641.885, 93** against the amount of euro **31.000.817, 67** for the previous year, raised 11, 74 %, as a result of a successful client strategy and the recognition of the high quality service level in t he market.

Revenues are analyzed as follows:

(Amounts in euro)	2006	2005	Difference %
Room revenues	19.614.648	17.621.269	11,31%
Food and beverage sales	13.317.006	11.873.251	12,16%
SPA and health club sales	829.130	774.785	7,01%
Telephone revenues	209.950	257.109	-18,34%
Other revenues	671.092	474.404	41,46%
TOTAL	**34.641.826**	**31.000.818**	**11,74%**

All the hotel departments had a rise against the previous year for the reasons mentioned above. Especially the rooms department had an almost 10 % rise of the average room rate, as a result of the high demand and the high quality service standards.
The food and beverage department presents rises due to the successful operation of the GB Corner, the Winter garden and the GB Roof garden which now operates during the winter season providing three lunches.

The rooms occupancy was **68, 34 %** against **67, 40 %** of the previous year (1, 4 % raise).
Also, the average hotel occupancy was euros **244, 96** against euros **223, 14** of the previous year (10 % raise) due to the reasons mentioned above.
The operating cost (cost of sales before depreciations plus administrative and selling expenses) **increased** euros **2.178.314** compared to the year 2005 (9, 52 %). This rise was due to the revenues rise that also raised the expenses but the ratio was discounted (72, 33 % against 73, 80 % of the 2005).

The company's financial expenses raised marginally euros 27.262 due to a rise in loan interests and most specifically due to the bond loan in euribor.

The company's bank loan for the 31/12/2006 was euros 30.000.000, 00 after the successful capital rise at the first semester of 2004 used for the payment of the loan obligations. Also, during March 2007 the company paid the first installment of the bond loan amounted in euros 1.800.000, 00.In September the second installment (euros 900.000,00) will be paid and at the end of the year 2007 the amount to be paid will be euros 27.300.000, 00.

The comparative figures for the years 2004, 2005 and 2006 are below:

ROOMS NIGHTS	**2004***	**2005**	**2006**
Room nights	64.350	80.208	81.247
Guest room nights	91.451	122.425	127.639
RESULTS			
Amounts in 000's euro			
REVENUES	**2004***	**2005**	**2006**
Turnover	30.497,60	31.000,82	34.641,89
Rents	273,67	328,41	376,43
Other income	823,56	436,79	258,68
TOTAL	**31.594,83**	**31.766,02**	**35.277,00**
PROFIT/LOSSES BEFORE DEPRECIATIONS AND TAXES	7.079,63	7.236,49	8.602,48
MINUS: DEPRECIATIONS	2.780,16	2.838,83	2.859,07
PROFIT/LOSSES BEFORE TAXES	4.299,47	4.397,66	5.743,41
*Olympic Games 2004			

The company possesses only the building of the hotel "Grand Bretagne" with historic value and chattel real that are in the balance sheet.
During the submission of the present report there are no considerable losses that going to influence the financial statement of the company.
The Board of the Directors wishes to inform the shareholders that the hotel "Grand Bretagne" started its operations at March 2003 starting a new era to its history and with lots of positive comments about the new premises.
The hotel's unique architecture, the new equipment and antiques, the luxury sensation and the high quality service standards are expected to attract many guest and to raise in the long-tem the company's results and the shareholders profit.

The Board of the Directors announces its optimism for the continuation of the successfully operation of the hotel "Grand Bretagne" after the complete renovation and its incorporation to the chain Luxury Collection of Starwood Hotels and Resorts and for the strong financial position of the company after the successful capital rise –45 millions euro- in combination with the a) turnover increase and b) the accomplishment of high EBITDA (earnings before interest, taxes and depreciations). Finally, highly positive are the results of the first months of 2007 with a 23% increase of the REVPAR (Revenue per available room) and a 46% increase of the GOP (Gross Operating Profit).

THE GROUP

Taking for granted that this is the first time that the results of the hotel Hyatt of Belgrade are consolidated the figures are not totally comparative. As it is known as of the 6/6/2006 the 51% of the hotel belongs to the company. The figures appear below:

The turnover of the company was euros 45.320 thousands, EBIDTA euros 15.988 thousands and profit before taxes euros 8.954 thousands. These figures compared to the ones of the mother company for the year 2005 present a rise of 46, 2 % for the turnover,103,6 % for the profit before taxes and 91 ,7 % for EBIDTA.

More analysis is provided to the Group consolidated financial statements.

CORPORATE GOVERNANCE

The company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the company are ultimately based, strive for transparency in investor relations and the indemnity of stakeholders' interest.
The Board of Directors of LAMPSA S.A. is the trustee of its Group Corporate Governance Principles. It is comprised by 3 executive and 6 non-executive members. From the non-executive members, 4 satisfy the conditions set by law 3016/2002 for corporate governance, and are called "independent".
The Audit Committee is comprised by non-executive members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board. Its responsibilities are to ensure compliance with the rules of Corporate Governance, guarantee a proper operation of the Internal Audit System and supervise the works of the company's Internal Audit Department.
Internal Audit is a basic and essential element of corporate governance. The Internal Audit Department of LAMPSA S.A. is an independent organizational unit that reports to the company's Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the company's Internal Regulation of Operations, and the current legislation.

The board of the Directors assigned as Internal Auditor Ms Coralia Moraiti, graduate of Athens University of Economics and Business. The Head of Internal Audit has a full time employment relationship to our company.

DIVIDEND POLICY

Regarding the distribution of dividends, the Board of Directors, considering among others the Group's performance, the prospects and the Capital Expenditure plans, the existing of tax losses amounted 3,7 millions euros and the decrease of tax factors proposes the distribution of dividends of. 0, 08€ per share as opposed to 0, 05€ per share in 2005. This proposed dividend is subject to the approval of the General Assembly.

After the above, please approve the financial statements for the fiscal year 2006.

Athens 28 March 2007.

The President of the Board of the Directors
Maurice Modiano.

INFORMATION TO THE GENERAL ASSEMBLY OF THE SHAREHOLDERS REGARDING THE ISSUES OF THE PARAGRAPH 1 OF ARTICLE 11 á L.3371/2005 OF GROUP "LAMPSA S.A."

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 1 of article 11 α L.3371/2005.

I. COMPANY 'S SHARE CAPITAL STRUCTURE

The share capital of LAMPSA S.A amounts to euros 23.927.680, divided into 21.364.000 common registered shares with voting right and a par value of euros 1, 12 each. The shares are listed on the Securities Market of the Athens Exchange.
The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

• The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid in capital (and in particular the larger of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.
• The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
• The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.
• Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.
• Shareholders participate in the Company's General Meeting which constitutes the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
• The General Meeting of Company's Shareholders retains all its rights and obligations during the winding up (according to paragraph 4 of article 38 of the Articles of Association).
The shareholders' responsibility is limited to the nominal value of the shares held.

II. RESTRICTIONS FOR TRANSFERRING COMPANY SHARES

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

III. IMPORTANT INDIRECT/DIRECT PARTICIPATIONS ACCORDING TO o PRESIDENTIAL DECREE (PD) 51/1992

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares are presented in the following table.

NAME- PERCENTAGE

VENTURE ABILITY SA – 46,16 %
TALANTON INVESTMENTS INC – 6, 66 %
UBS AG – 6, 16%
JPMORGAN CHASE BANK – 5, 62 %
BNP PARIBAS PRIVATE BANK) SWITZERLAND) SA – 5,06 %

IV. SHARES WITH SPECIAL CONTROL RIGHTS

There are no Company shares that provide special control rights to their holders.

V. RESTRICTIONS ON VOTING RIGHTS

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. AGREEMENTS BETWEEN COMPANY SHAREHOLDERS

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. REGULATIONS REGARDING THE ASSIGNMENT AND REPLACEMENT OF BOD MEMBER AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION.

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920

VIII. RESPONSIBILITY OF THE BOD FOR THE ISSUANCE OF NEW SHARES OR ACQUISITION OF OWN SHARES.

A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at lease two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.
B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, this number cannot extravagate the 1/10 of the existed shares.
The BoD regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.
C) As of today no decision has been taken by the General Meeting of Shareholders of the company for acquiring own shares according to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920.

IX. IMPORTANT AGREEMENT WHICH IS AMENDED /TERMINATED IIN CASE A CHANGE ARISES IN THE COMPANY 'S CONTROL FOLLOWING A PUBLIC OFFER.
There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. AGREEMENT BETWEEN THE COMPANY AND THE BOD MEMBERS OR EMPLOYEES REGARDING THE TERMINATION OF THEIR TERMS/EMPLOYMENT.

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 753.524 on 31.12.2006. No provision concerns the members of the BoD

For the G. A. of the company
The President of the Board
Maurice Modiano.

2.INDEPENDENT AUDITOR'S REPORT
To the Shareholders of "LAMPSA S.A."

Report on the Financial Statements

We have audited the accompanying financial statements of "LAMPSA" as well as the consolidated financial statements of the Company, which comprise (for both the Company and the Group), the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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 abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report (as mentioned in pages x to z) is consistent with the abovementioned financial statements.

Athens, 29th March 2007
The Chartered Accountant

George Deligiannis
SOEL Reg. Num. 15791
Grant Thornton
SOEL Reg. Num.:127
44, Vassileos Konstantinou str.
116 35 Athens

3. BALANCE SHEET

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BALANCE SHEET		GROUP		COMPANY	
(Amounts in 000's euro)	Notes	31/12/2006	31/12/2005	31/12/2006	31/12/2005
ASSETS					
Non current Assets					
Tangible assets	9.5	134.018	86.670	86.087	86.670
Intangible fixed assets	9.7	525	31	25	31
Goodwill	9.8	3.483	-	-	-
Subsidiaries	9.9	-	18	11.100	18
Other long-term claims	9.10	58	55	53	55
Deferred Tax assets	9.11	1.317	1.164	1.304	1.164
		139.401	**87.938**	**98.569**	**87.938**
Current Assets					
Inventory	9.12	1.018	429	433	429
Trade and receivables	9.13	3.168	2.383	2.695	2.383
Other receivables	9.14	950	580	701	580
Other current assets	9.14	284	210	212	210
Cash and cash equivalent	9.15	10.026	11.844	7.238	11.844
		15.446	**15.447**	**11.279**	**15.447**
TOTAL ASSETS		**154.847**	**103.385**	**109.848**	**103.385**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	9.16	23.928	23.500	23.928	23.500
Share premium		38.641	38.641	38.641	38.641
Translation reserves		147	-	-	-
Statutory Reserve		304	174	302	174
Other reserves		2.161	1.305	2.161	1.305
Dividends payable		1.695	1.068	1.709	1.068
Results carried forward		4.172	1.729	3.225	1.729
Total equity atributed to the shareholders of the Company		**71.048**	**66.418**	**69.965**	**66.418**
Minority rights		8.330	-	-	-
TOTAL EQUITY		**79.378**	**66.418**	**69.965**	**66.418**
LIABILITIES					
Long-term liabilities					
Bond loans	9.17	27.300	-	27.300	-
Bank loans	9.17	-	30.000	-	30.000
Retirement benefit obligation & other long term obligations	9.23	759	648	754	648
Deferred tax obligation	9.11	1.968	1.255	1.825	1.255
Other long term obligations	9.21	29.691	-	-	-
Other provisions	9.22	109	130	109	130
Total long-term liabilities		**59.827**	**32.034**	**29.987**	**32.034**
Short-term liabilities					
Short-term debenture and bank loan	9.17	3.703	-	3.703	-
Short-term other long term obligations	9.22	3.739	-	-	-
Trade and other payables	9.18	1.717	984	1.352	984
Taxes and social securities	9.19	2.558	1.552	1.592	1.552
Other current liabilities	9.20	2.347	1.516	1.669	1.516
Advances		1.579	882	1.579	882
Total short-term liabilities		**15.642**	**4.933**	**9.895**	**4.933**
Total current liabilities		**75.469**	**36.967**	**39.883**	**36.967**
TOTAL EQUITY AND LIABILITIES		**154.847**	**103.385**	**109.848**	**103.385**
Any differences in the additions are due to rounding.					

4. INCOME STATEMENT

		GROUP		COMPANY	
Amounts in 000's euro	**Notes**	1/1/-31/12/2006	1/1/-31/12/2005	1/1/-31/12/2006	1/1/-31/12/2005
Revenues		45.320	31.001	34.642	31.001
Less: cost of goods sold	9.26	- 28.746	- 19.992	- 21.662	- 19.992
Net revenue		**16.575**	**11.009**	**12.980**	**11.009**
Other operating income	9.28	4.058	765	635	765
Selling expenses	9.26	- 2.639	- 1.979	- 2.074	- 1.979
Administrative expenses	9.26	- 5.109	- 3.745	- 4.180	- 3.745
Other operating expenses	9.26	- 474	- 547	- 474	- 547
Profit before finance charges & taxes		**12.410**	**5.503**	**6.887**	**5.503**
Depreciation	9.5	3.578	2.838	2.859	2.838
Profit before finance charges, depreciation & taxes		**15.988**	**8.341**	**9.746**	**8.341**
Financial income	9.27	144	169	158	169
Financial expenses	9.27	- 3.600	- 1.275	- 1.302	- 1.275
Financial result		- **3.456**	- **1.105**	- **1.143**	- **1.105**
Depreciation	9.5	- 3.578	- 2.838	- 2.859	- 2.838
Profit before tax		**8.954**	**4.398**	**5.743**	**4.398**
Tax	9.33	- 2.081	- 958	- 1.128	- 958
Profit for the year		**6.873**	**3.440**	**4.616**	**3.440**
Attributable to:					
Company's shareholders		5.771	3.440	4.616	3.440
Minority shareholders		1.102	-	-	-
Profit for the period per share - (in Euro)	9.34	0,2701	0,1610	0,2161	0,1610
Recommended dividend per share				0,0800	0,0500
Any differences in the additions are due to rounding.					

5.CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in 000's euro	Share capital	Premium capital	Reserves	Retained earnigns	Total	Minority Rights	Total
Balance at 1/1/2005 according IFRS	**24.996**	**38.641**	**2.483**	**- 642**	**65.477**	-	**65.477**
Change in equity for the period 1/1-31/12/2005							
Increase/dicrease of capital	- 1.495	-	-	-	- 1.495	-	- 1.495
Dividends paid	-	-	- 1.004	-	- 1.004	-	- 1.004
Change in equity from affiliated company acquisition	-	-	-	-	-	-	-
Changet in exchange dif.reserve	-	-	-	-	-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-	-	-	-	-	-
Net result posted directly to the equity	-	-	-	-	-	-	-
Net period result for 1/1-31/12/2005	-	-	1.068	2.372	3.440	-	3.440
Purchases(sales)of own shares	-	-	-	-	-	-	-
Profit/losses of sales of shares posted directly to the equity					-	-	-
Total period change	**- 1.495**	**-**	**64**	**2.372**	**940**	-	**940**
					-	-	-
Equity balance at 31/12/2005	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**	-	**66.418**
Equity Balance at 1/1/2006 according IFRS	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**		**66.418**
Change in equity for the period 1/1-31/12/2006							
Increase/dicrease of capital	427	-	-	-	427	-	427
Dividends paid	-	-	- 1.068	-	- 1.068	-	- 1.068
Change in equity from affiliated company acquisition	-	-		- 72	- 72	7.228	7.156
Changet in exchange dif.reserve	-	-			-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-			-	-	-
Net result posted directly to the equity	-	-			-	-	-
Net period result for 1/1-31/12/2006	-	-	3.256	2.515	5.771	1.102	6.873
Purchases(sales)of own shares	-	-	-	-	-	-	-
Reserves that were capitalized	-	-	- 427	-	- 427	-	- 427
Total period change	**427**	**-**	**1.760**	**2.443**	**4.630**	**8.330**	**12.961**
	-	-	-	-	-	-	-
Equity balance at 31/12/2006	**23.927**	**38.641**	**4.307**	**4.172**	**71.048**	**8.330**	**79.378**

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6. STATEMENT OF CHANGES IN EQUITY OF THE COMPANY.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
Amounts in 000's euro							
	Share capital	Premium capital	Reserves	Retained earnigns	Total	Minority Rights	Total
Balance at 1/1/2005 according IFRS	**24.996**	**38.641**	**2.483**	**-642**	**65.477**	**-**	**65.477**
Change in equity for the period 1/1-31/12/2005							
Increase/dicrease of capital	-1.495	-	-	-	-1.495	-	-1.495
Dividends paid	-	-	-1.004	-	-1.004	-	-1.004
Change in equity from affiliated company acquisition	-	-	-	-	-	-	-
Changet in exchange dif.reserve	-	-	-	-	-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-	-	-	-	-	-
Net result posted directly to the equity	-	-	-	-	-	-	-
Net period result for 1/1-31/12/2005	-	-	1.068	2.372	3.440	-	3.440
Purchases(sales)of own shares	-	-	-	-	-	-	-
Profit/losses of sales of shares posted directly to the equity					-	-	-
Total period change	**-1.495**	**-**	**64**	**2.372**	**940**	**-**	**940**
					-	-	-
Equity balance at 31/12/2005	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**	**-**	**66.418**
Equity Balance at 1/1/2006 according IFRS	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**		**66.418**
Change in equity for the period 1/1-31/12/2006							
Increase/dicrease of capital	427	-	-	-	427	-	427
Dividends paid	-	-	-1.068	-	-1.068	-	-1.068
Change in equity from affiliated company acquisition	-	-		-72	-72	7.228	7.156
Change in exchange dif.reserve	-	-			-	-	-
Minority rights from percentage change in the participation of the affiliated company's capital	-	-			-	-	-
Net result posted directly to the equity	-	-			-	-	-
Net period result for 1/1-31/12/2006	-	-	3.256	2.515	5.771	1.102	6.873
Purchases(sales)of own shares	-	-	-	-	-	-	-
Reserves that were capitalized	-	-	-427	-	-427	-	-427
Total period change	**427**	**-**	**1.760**	**2.443**	**4.630**	**8.330**	**12.961**
	-	-	-	-	-	-	-
Equity balance at 31/12/2006	**23.928**	**38.641**	**4.307**	**4.172**	**71.048**	**8.330**	**79.378**

7. CASH FLOW STATEMENT.

Amounts in 000's euro				
	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit from operations				
Gain before taxes	8.954	4.398	5.743	4.398
Plus/minor adjustments for:				
Depreciations	3.578	2.838	2.859	2.838
Provisions (Income from unused prior period provisions)	154	(186)	79	(186)
Interest and related income	(281)	(169)	(158)	(169)
Interest charges and related expenses	3.600	1.275	1.302	1.275
Other operating expenses	341		341	
Plus/minor adjustments for changes of accounts in working capital or related to operating activities			0	
Increase / (decrease) in inventories	(78)	(42)	(4)	(42)
Increase / (decrease) in receivables	(276)	452	(317)	452
Increase / (decrease) in accounts payable (min banks)	999	468	1.031	468
minus:				
Interest and related expenes paid	(848)	(1.248)	(273)	(1.248)
Tax paid	(1.005)	(642)	(981)	(642)
Net cash from operating activities (a)	**15.137**	**7.143**	**9.622**	**7.143**
Investing activities:				
(Acquisition) /Disposition affiliated companies minus their cash	(10.907)	0	(11.082)	0
Acquisition of tangible and intangible assets	(3.196)	(835)	(2.269)	(835)
Interest received	280	0	158	0
Net cash used in investing activities (b)	**(13.822)**	**(835)**	**(13.193)**	**(835)**
Cash flows from financing activities:				
Capital increase	0	(1.495)		(1.495)
Receivings from loans	39	30.000	0	30.000
Purchases(sales)of own shares	0	0	0	0
Dividends paid to the company's shareholders	0	0	0	0
Loan payments	(2.136)	(30.000)	0	(30.000)
Payments of leasing obligations	(1.035)	0	0	0
Dividends paid		(994)	(1.035)	(994)
Net cash from financing activities (c)	**(3.133)**	**(2.490)**	**(1.035)**	**(2.490)**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	***- 1.819***	***3.818***	***- 4.606***	***3.818***
Cash and cash equivalents at the beginning of the period	11.844	8.026	11.844	8.026
Cash and cash equivalents at the end of the period	***10.026***	***11.844***	***7.238***	***11.844***
Any differences in the additions are due to roundings				

For better comparative information the amounts of “tax paid” and (decrease)/ increase of obligations for the year 2005 have been reenlisted. This did not create any effect to the cash flow or to any cash flow category.

8. FINANCIAL INFORMATION ACCORDING SECTION.

As business sector is defined a group of assets and functions that provide products and services that are submitted to different dangers and performances regarding the ones of other business sectors.

As geographical sector is defined a geographical region where the provided products and services that are submitted to different dangers and performances regarding the ones of other regions.

MAJOR INFORMATION SECTOR-GEOGRAPHICAL SECTORS

The sales according to sector are given below:

	GREECE	ZONE NON E.U.	TOTAL
Revenues	**35.082**	**10.239**	**45.321**
Cost of goods sold	(22.034)	(6.711)	**(28.745)**
Net revenue	**13.048**	**3.527**	**16.575**
Other operating income	635	3.422	**4.057**
Selling expenses	(2.074)	(565)	**(2.639)**
Administrative expenses	(4.206)	(903)	**(5.109)**
Other operating expenses	(474)	0	**(474)**
Profit before finance charges & taxes	**6.929**	**5.481**	**12.410**
Depreciation	2.861	717	**3.578**
Profit before finance charges, depreciation & taxes	**9.790**	**6.198**	**15.988**
Financial income	144	0	**144**
Financial expenses	(1.307)	(2.293)	**(3.600)**
Other Financial result	0	0	**0**
Financial result	**(1.163)**	**(2.293)**	**(3.456)**
Depreciation	(2.861)	(717)	**(3.578)**
Profit before tax	**5.766**	**3.188**	**8.954**
Income tax	(1.142)	(939)	**(2.081)**
Profit afrer taxesfor the year	**4.624**	**2.249**	**6.873**

SECOND INFORMATION SECTOR-BUSINESS SECTORS

No further analysis is required due to the fact that the revenues of the company derive mainly from hotel activities.

9. GENERAL INFORMATION OF THE COMPANY

9.1. GENERAL INFORMATION

The LAMPSA HELLENIC HOTELS SA (the 'company') is located in Athens, Vas. Georgiou A' 1 str, and it is registered in the register of the Ministry of development with reg. M.A.E 6015/06/B/86/135. The company's duration is hundred (100) years started counting from the publication to the Government Gazette of the Royal Decree that approved the company's memo-randum of association. The company is functioning from its foundation for eighty-seven (87) years.

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

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

CHAIRMAN OF THE BOARD (executive member)-	Maurice Modiano
VICE PRESIDENT (non executive member)-	Apostolos Doxiadis
MANAGING DIRECTOR (executive member)-	Nikolaos Dandolos
EXECUTIVE MEMBER -	George Galanakis
NON-EXECUTIVE INDEPENDENT MEMBERS	Athanasios Papadopoulos
	Thomas Miller
	Markos Tsaktanis
	Nikolaos Papandreou
	Philippos Spiropoulos

The financial statements of the company were approved in the meeting of the Board of the directors in 28th March 2007 and are written in the minutes Num.888 of the same date.
The company's shares are in the stock market of Athens from the year 1946.The total of shares in circulation at the 31 December 2006 are 21.394.000.All the company's shares are common and registered.

The company and "Ciga Hellas hotels" SA, subsidiary company of Starwood Hotels and Resorts Wordwide Inc, on December 2001 signed the management and operation contract for the hotel. According to this contract "Ciga Hellas hotels" SA agreed to provide management and operational services to the hotel "Grand Bretagne".
According to the contract "Ciga Hellas hotels" SA, in December 2001, undertook to restore and to equip on its own expenses the hotel based on certain specifications.
Ciga Hellas hotels" SA will have the absolute control of the hotel and will be responsible for the hotel's operation based on the standards used for all the hotels of the management company around the world, always according to the country's legislation.
The power of "Ciga Hellas hotels" SA for the control and the operation of the hotel includes its use for all the presumable aims, the room charges, the entertainment and amusement, food and beverage, management of the human resources, surveillance of the bank accounts and the maintenance of company's cash. "Ciga Hellas hotels" SA is in charge of the promotional and advertisement campaign and the communicative policy of the hotel and will provide reservation services abroad too through their subsidiaries.
Also, "Ciga Hellas hotels" SA is responsible for the existence and the book keeping and archives of the company according the specific accounting standards that will be given for control to the internal auditors of "Ciga Hellas hotels" Sa or their subsidiaries. Licensed employees of "Ciga Hellas hotels" have the power after notification of the management of the hotel to realize controls of the hotel's places and of the quality of the service provided.
"Ciga Hellas hotels" SA has the right to realize commissions of goods or services from subsidiaries companies since the invoicing and the terms of commissions are competitive to the ones offered by third parties. Further, more "Ciga Hellas hotels" SA has the right to use the hotel's premises for the education of the employees of other hotels or subsidiaries companies.
At the beginning the length of the management contract, is twenty five (25) years with the right to be extended for other 25 years. This management contract allows a 3% fee on the turnover and 10% fee on the gross trading profit as repayment for the "Ciga Hellas hotels" SA and the Sheraton international. Both these companies have limited rights for the termination of the management contract without reason.
The Board of the directors is in a constant collaboration with the company that has the management to control the accurate and smooth operation and for the proper operation of the boards of the Directors.
During the audited year the group acquired for euros 11.080.535,48 the 100 % of the capital share of the company based in Cyprus "Luella Enterprises Ltd" and through it he 100 % of indirect participation of its affiliated "Northe Haven ltd" based in Hong Kong ,to which belongs the 51 ,0044 % of the company "Beogradsko Mesovito Preduzece" based in Servia and responsible for the Hotel Hyatt in Belgrade. The above companies are consolidated for the first time in this period. The comparative figures of the previous period are the ones of the mother company. (Group Structure parag. 9.4).

9.2. BASIS OF COMPILATION OF FINANCIAL STATEMENTS

The financial statements were made up according the International Financial Reporting Standards (IFRS) according to requirement 1606/2003 of the European Union and Law of the 19 July 2002.

The financial statements have been prepared until the 31 December 2004 according the Law 2190/1920 and the Greek Accounting Standards that in many cases were different from the requirements of the IFRS. According the regulations of the European Community 1606/2002 and the Law 3229/04 (how it was modified by the Law 3301/04) the Greek companies that are in any Stock Market (Greek or Foreign)

are obliged to prepared their financial statements, for he financial years starting from the 1 January 2005 and after according the IFRS. According to the IFRS 1 “First time adoption of International Financing Reporting Standards” and the above mentioned requirements the above companies are obliged to present comparative Financial Statements according the IFRS, at least for one financial year (31 December 2004), with effective conversion date to the IFRS the 1 January 2005.The company will prepare and published the first IFRS Financial Statements within the required time frame and the closing date of the above Financial Statements will be the 31 December 2004.
The Financial Statements have been prepared according the requirements of the IFRS.
Reconciliation is provided in the note 39 to the notes of theses Financial Statements showing the effect on the financial statements of the Greek GAAP, (Law 2190/1920) and IFRS.
The above Financial Statements have been prepared on the historical cost basis except of the revaluation of certain assets and liabilities (cash, stock etc.)

9.2.1. SIGNIFICANT ACCOUNTING POLICIES.

The accounting principles used for the preparation of the financial statements and the ones that the Group constantly uses are consistent with the ones used the previous fiscal year with the exemptions of the following cases:

9.2.2. NEW ACCOUNTING POLICIES AND INTERPRETATION OF IRFC
(In use from 2006 related with the Group activities)

- **IAF 19 (AMENDMENT)- EMPLOYEES BENEFITS (MANDATORY FROM 1/1/2006)**

  It introduces the option of an alternative recognition approach for actuarial gains and losses.
  The Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses so the financial statements are not going to be influenced

- **AMENDMENT N OF IAS 21 – CHANGES IN THE EXCHANGE RATES (MANDATORY FROM 1/1/2006)**

  The amendment clarifies that the monetary elements between any affiliated companies of the group with a foreign development can consider as part of the foreign Group investment with this development. The derived exchange rates during the consolidation are carried to the equity if the settlement of the monetary element is not going to happen in the foreseeable future. The modification is not expected to influence the Group financial statements since there are not any monetary elements to be settled in the foreseeable future.

- **IFRC 4. SPECIFICATION IF A CLAIM COMPRISES LEASING**

This interpretation settles the standards for the estimation of a leasing comprised in an agreement that has not the legal type of a leasing. Any agreement that gives the right to use an asset with payment in return will be conceder as leasing.
The implementation of the IFRC 4 is not likely to change the accounting control of any of the effective Group agreements.

- **IFRC 10. INTERMEDIATE FINANCIAL STATEMENTS AND DECREMENT.**

This interpretation specifies that the particular claims of IAS 36 (for the good will) and IAS 39 (for the financial elements for sale) come before the general claims of IAS 34 so the decrement losses recognized for these elements in the intermediate period cannot be reversed in subsequent periods. The Group is not affected of the implementation of this interpretation since has not reverse decrement losses.

9.2.3. STANDARDS, MODIFICATIONS AND INTERPRETATIONS IN FORCE THE 2006
(No related with the Group activities)

- IFRS 6 (amendment), Exploration for and evaluation of mineral resources
- IAS 39 (amendment), Cash flow hedge accounting of forecast intragroup transactions
- IAS 39 (amendment), the fair value choice
- IAS 39 and IFRS 4 (amendment), financial guarantee contracts
- IFRS (amendment), first-time adoption of IFRS
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8, Scope of IFRS 2
- IFRIC 9, Reassessment of Embedded Derivatives

9.2.4. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

(With later date of implementation and that the group has not proceed to implication)

New accounting standards and interpretations are published that are not mandatory for use for the accounting periods starting from 1 January 2006. The Group estimation for the effect of these standards and interpretations is the following:

- **IAS 1 Presentation of Financial Statements**

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

- **IFRS 7 Financial Instruments: Disclosures**

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

- **IFRS 8 Operating Segments**

IFRS 8 retains the general scope of IAS 14 and settles different demands of publicity regards reporting according to segment. IFRS 8 applies for annual periods beginning on or after 1 January 2009 ,then it is going to be applicable.

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

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

- **IFRIC 12 Service Concession Arrangements**

IFRIC 12 provides guidance on the way that an administrator of an assignment of service must implement IFRS to post the obligations deriving from the rights of the agreements of giving a right.
This interpretation is mandatory for the accounting periods beginning on or after 1 January 2008.

9.2.5. SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATIONS AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimations and judgments 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.

ACCOUNTING DECISIONS

During the implementation of the accounting policies, decisions are taken concerning:

- classification of investments
- recoverability of accounts receivable
- obsolescence in inventory
- classification of a lease as financial lease or operational.

ESTIMATIONS AND ASSUMPTIONS

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. The Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.
Estimations and assumptions required are:

- Estimation of impairment of goodwill
- Provisions for future income taxes and differed taxes
- Fair value of derivatives and other financial means
- Provisions
- Possible claims and obligations

CONSOLIDATION

(A) SUBSIDIARIES

All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on

the know-how provided from the Group. That is to say those subsidiaries are companies in which control is exercised by the parent. The Group "LAMPSA SA" acquires and practices the control through the voting rights. The subsidiaries are the companies that control is exercised from the parent company. The existence of potential voting rights that are exercisable at the time the financial statements are compiled is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists. The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.
Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.
Transactions with the minority: the group uses the accounting policy that conceders these transactions as third parties out of Group transactions. Sales to the minority create profit and losses for the Group that are posted to the income statement. Purchases from the minority create surplus value that is the difference between money paid and the percentage of the equity accounting value of the subsidiary acquired.

INFORMATION ACCORDING TO SECTION.
As business sector is defined a group of assets and functions that provide products and services that are submitted to different dangers and performances regarding the ones of other business sectors. As geographical sector is defined a geographical region where the provided products and services that are submitted to different dangers and performances regarding the ones of other regions.

FOREIGN CURRENCY CONVERSION

(A) FUNCTION CURRENCY AND PRESENTATION CURRENCY

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company.

(B) TRANSACTIONS AND OTHER

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions (spot exchange rate).Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results with the exemption of transactions deriving from estimation of derivatives that are used to compensate the cash-flow. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

TANGIBLE FIXED ASSETS.

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

The last escalation was for the value of the land. The IFRS 1"first adoption" in the paragraph 17b states that the company that for the first time adopts IFRS, in the transition date to the IFRS, can decide that previous fixed assets escalations that were calculated with other accounting standards (GAAP) are part of the acquisition cost on condition that in the time that the escalation happened the value reflects the change of one or specific rate.
Expenses created for the replacement of significant elements of the assets are capitalized
Other future expenses realized for the fixed assets are capitalized only in the case that they raise the future financial benefits that are expected to come from the utilization of these assets.
The rest expenses, realized for the fixed assets, are capitalized only if they add value to the future benefits coming for the use of the above assets.
All the rest maintenance, amendment etc. expenses are registered as expenses in the date of their realization.
Depreciation is provided on the cost in equal annual installments over the estimated remaining useful life of the assets, except for land and assets under construction. Under the straight-line method, the depreciation charge to the income statement is the same for the useful life of the asset, except if this changes.

The following depreciation rates are used:

Buildings-fixtures 2-3%
Machinery and mechanical equipment 15%
Transportation equipment 15%
Furniture and fittings 15%
Office machines and telecommunication equipment 20%
Printers/hardware 24%

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

OTHER INTANGIBLE ASSETS

(A) SIGNS AND LICENSES

Signs and licenses are valued at fair value at their date of concession less accumulated depreciation.

(B) SOFTWARE

The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years. Expenses required for development and maintenance are consider as expenses.

(C) RESEARCH AND DEVELOPMENT EXPENSES

Research expenses are recognized as expenses upon realization. Expenses from development programs are considered as intangible assets if it is possible to provide future profit to the company. The rest of development expenses are posted to the relevant expense accounts. Development expenses that in previous years were posted as expenses, are not posted as
intangible assets in posterior fiscal year. Development expenses that are capitalized are de-preciated from the start of the product business production with a fixed method.

GOOD WILL

The good will that derives from the consolidation of companies is measured, primarily, at cost values. After the basic recognition the good will is calculated at the cost minus any accumulated decrease losses. The acquired the companies examines the good will for decrease of value in a yearly basis of more often in cases that facts of other changes impose as such.

IMPAIRMENT OF ASSETS

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impair-ment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.
Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

FINANCIAL INSTRUMENT

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

I) FINANCIAL INSTRUMENTS VALUED AT FAIR VALUE THROUGH THE INCOME STATEMENT

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instru-ments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

The Group had not any financial assets of this category.

II) LOANS AND RECEIVABLES

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):
a) Receivables from down payments for the purchase of goods or services,
b) receivables relating to tax transactions, which have been legislatively imposed by the state,
c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.
Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets.

III) INVESTMENTS HELD TO MATURITY

It includes non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.
The Group did not hold investments of this category.

IV) FINANCIAL ASSETS AVAILABLE FOR SALE

Includes non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.
Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.
During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.
The loans and receivables are recognized in the net book value based on the real interest rate method.
The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results , are recognized in the results of the period they result in.
The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.
At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value

ASSETS DECREASE PRESENTED IN THE DEPRECIATED COST

If there is objective proof that there is decrease loss for the loans and claims or investments that until the maturity date are presented in the depreciated cost , the amount of loss is calculated as the difference of the accounting value of the asset and the present value of the estimated cash-flows (future credit losses not realized are excluded) pre-paid at real original interest of the asset. The asset accounting value will be decreased or directly or through a provision account. The amount of loss will be in the results.
The Group will estimate if such case exists.

INVENTORIES

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

TRADE RECEIVABLE

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

CASH AND CASH EQUIVALENTS

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

SHARE CAPITAL

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

INCOME TAX & DEFERRED TAX

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.
Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).
Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.
Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.
Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.
Deferred income tax liabilities are defined after taking into account the contingent income liabilities for expenses that may arise due to tax auditing.
Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

EMPLOYEE BENEFITS

SHORT-TERM BENEFITS

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

POST-EMPLOYMENT BENEFITS

Post-employment benefits: Post-employment benefits include defined contribution schemes as well as defined benefits schemes.

- **Defined contribution scheme**

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.
The payable contribution from the company to a defined contribution scheme, is recognized as an expense.

- **Defined benefits scheme**

The defined benefits scheme of the Group concerns its legal obligation for lump sum compensation to the employees upon retirement. The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

PROVISIONS

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated.
Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.
Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small.
Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

FINANCIAL OBLIGATIONS

The Group financial obligations concern the loan accounts, trade and other kind of obligations. The financial obligations are recognized when the Group participates in an agreement and are erased when this obligation expires or ends.
Interests are conceder as an expense at "Financial Expenses" at profit and loss statement.
Trade obligations are recognized in the name value and then are evaluated at the depreciated cost minus settlement change.
Dividends are in the "Other short-term financial obligation" when they are approved by the member of the Board.
Profit and losses are in the Profit and Loss statement when the obligations are erased and through the depreciations.

RECOGNITION OF INCOME AND EXPENSES

INCOME

Income includes the fair value of services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

SALES OF GOODS
Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

RENDERING OF SERVICES

Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.

DIVIDEND

Dividends are accounted for as revenue when the right to receive payment is established.

EXPENSES

Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

FINANCIAL COST

Financial cost derives from the accrued interest of the loans calculated with the method of real interest and are recognized to the yearly results with the exemption of the interests of the loans of the constructive period that are posted to the accounts of the relevant fixed assets.

LEASES

During the beginning of an agreement and taking into consideration all issues it is estimated if the agreement has or not a lease. A revaluation is happening in the following cases:

- There is a change in the lease terms ,except if the change simply renews or prolong the agreement
- There is a renew right or a prolong of the agreement except if this had been foreseen from the start
- There is a change on how the fulfillment is depended on an set asset
- There is considerable change on the asset

If the agreement is renegotiated the accounting manipulation is set from the date of the renegotiation (a) (c) (d) or the date of renew for the case (b).

GROUP COMPANY AS LESSEE

Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.
These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved.
The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. .Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

GROUP COMPANY AS LESSOR

Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease. The Group does not act as a lessor through financial leasing.

EARNINGS / (LOSSES) PER SHARE

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

LONG-TERM CLAIMS OBLIGATIONS

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

BORROWING COSTS

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

BANK LOANS

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

SET-OFF OF CLAIMS OBLIGATIONS

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

9.3RISK MANAGEMENT

EXCHANGE RISKS

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

CREDIT RISKS

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

RISKS FROM VARIATION IN INTEREST

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

LIQUIDATION RISKS

Liquidation risk is in low level ,preserving enough cash.

9.4 GROUP STRUCTURE AND CONSOLIDATION METHOD

The companies participating in the group are:

COMPANY NAME	HEADQUARTERS	ACTIVITY	% DIRECT INVESTMENT	% INDIRECT INVESTMENT
HELLENIC HOTEL COMPANY LAMPSA SA -MOTHER COM	GREECE	HOTEL	MOTHER COMPANY	
LUELLA ENTERPRISES LTD	CYPRUS	AFFILIATED CO	100%	
GRANDE BRETAGNE LTD	GREECE	GIFT SHOP	99,83%	
NORTH HAVEN LTD	HONG KONG			100%
BEOGRADSKO MESOVITO PREDUZECE	SERVIA	HOTEL		51%

9.5 TANGIBLE FIXED ASSETS

THE GROUP

Amounts in 1.000,00 €	Land	Buildings	Machinery	Vehicles	Furniture & Other equipment	Fixed assets under construction	Totals
Gross Book value (or estimated cost of acquisition) as at 1st January 2005	27.414	65.188	4.230	88	7.504	0	104.424
minus: Accumulated depreciation and value impairment	0	(9.537)	(1.060)	(47)	(5.111)	0	(15.754)
Book value as at January 1st 2005	**27.414**	**55.651**	**3.170**	**41**	**2.394**	**0**	**88.670**
Additions		457	77	3	230	56	824
Transfers		0	0	0	0	0	0
Sales – Reductions		0	0	0	0	0	0
Depreciations of year 2005		(1.758)	(636)	(10)	(420)	0	(2.824)
Depreciations of Sold - Reduced Assets		0	0	0	0	0	0
Gross Book value (or estimated cost of acquisition) as at 31st December 2005	27.414	65.645	4.307	91	7.734	56	105.248
minus: Accumulated depreciations	0	(11.295)	(1.695)	(56)	(5.531)		(18.578)
Book value as at December 31st 2005	**27.414**	**54.351**	**2.612**	**35**	**2.203**	**56**	**86.670**
Estimated cost of acquisition of assets acquired (or fair value) at 5th June 2006	8.818	**48.136**	**3.609**	**0**	**8.834**		69.397
minus: Accumulated depreciations		(12.557)	(2.461)		(6.031)		(21.049)
Book value as at June 5th 2006	**8.818**	**35.579**	**1.149**	**0**	**2.803**	**0**	**48.348**
Additions		2.365	92		776	1.405	4.638
Plus/(minus) adjustments			0	0	(18)	(1.446)	(1.464)
Sales – Reductions		(454)	(16)	0	(40)	0	(510)
Depreciations of year 2006		(2.220)	(714)	(10)	(583)	0	(3.526)
Depreciations of Sold - Reduced Assets		0	0	0	(4)		(4)
Gross Book value (or estimated cost of acquisition) as at 31st December 2006	36.232	115.692	7.992	91	17.144	15	177.167
minus: Accumulated depreciations	0	(26.072)	(4.869)	(66)	(12.145)	0	(43.148)
Plus/(minus) adjustments		0					0
Book value as at December 31st 2006	**36.232**	**89.621**	**3.123**	**25**	**4.999**	**15**	**134.019**

THE COMPANY

Amounts in 1.000,00 €	Land	Buildings	Machinery	Vehicles	re & Other equ	ts under co	Totals
Gross Book value (or estimated cost of acquisition) as at 1st January 2005	27.414	65.188	4.230	88	7.504	0	104.424
minus: Accumulated depreciation and value impairment	0	(9.537)	(1.060)	(47)	(5.111)	0	(15.754)
Book value as at January 1st 2005	**27.414**	**55.651**	**3.170**	**41**	**2.394**	**0**	**88.670**
Additions		457	77	3	230	56	824
Transfers		0	0	0	0	0	0
Sales – Reductions		0	0	0	0	0	0
Depreciations of year 2005		(1.758)	(636)	(10)	(420)	0	(2.824)
Depreciations of Sold - Reduced Assets		0	0	0	0	0	0
Gross Book value (or estimated cost of acquisition) as at 31st December 2005	27.414	65.645	4.307	91	7.734	56	105.248
minus: Accumulated depreciations	0	(11.295)	(1.695)	(56)	(5.531)		(18.578)
Book value as at December 31st 2005	**27.414**	**54.351**	**2.612**	**35**	**2.203**	**56**	**86.670**
Additions		1.567	59		690	1.405	3.721
Plus/(minus) adjustments			0	0	(18)	(1.446)	(1.464)
Sales – Reductions		0	0	0		0	0
Depreciations of year 2006		(1.776)	(647)	(10)	(412)	0	(2.845)
Depreciations of Sold - Reduced Assets		0	0	0	(4)	0	0
Gross Book value (or estimated cost of acquisition) as at 31st December 2006	27.414	67.212	4.366	91	8.406	15	107.505
minus: Accumulated depreciations	0	(13.071)	(2.342)	(66)	(5.939)	0	(21.420)
Plus/(minus) adjustments		0					0
Book value as at December 31st 2006	**27.414**	**54.142**	**2.024**	**25**	**2.468**	**16**	**86.087**

At the 31/12/2006 the existing encumbrances of the fixed assets of the mother company amounted to euros 39.000 when for the Group the encumbrances almost to euros 68.823 thousands. The interests and the loan expenses of the construction period of the building were posted in the account “Buildings” and are depreciated based on the beneficial life of the building. The rest of the capitalized expenses appeared below:

	31/12/2006	31/12/2005
Loan Interests	1.579	3.092
Other financial expenses	450	491

9.5 EXISTING ENCUMBRANCES

For the recent loan Group and company obligations at the 31/12/2006 the existing building mortgages amounted euros 68,8 and euros 39 millions accordingly.

9.7 INTANGIBLE FIXED ASSETS

THE GROUP

Amounts in 1.000,00 €

	Licenses and rights	Sorftware	Other	Total
Amounts in euros				
Cost of acquisition as at 1st January 2005		285	-	285
minus: Accumulated depreciation and value impairment		(250)	-	(250)
Book value as at January 1st 2005	0	35	-	35
Additions		11	-	11
Depreciations of year 2005		(14)	-	(14)
Cost of acquisition as at 31/12/20005		295	-	295
minus: Accumulated depreciations		(264)	-	(264)
Book value as at December 31st 2005	0	31	-	31
Cost of acquisition of the acquired companies	2	489	209	700
Accumilative Depreciations	(2)	(118)	(55)	(174)
Account value of the intagible assets of the acquired comp	0	371	154,00	526
Additions		18		18
Depreciations of the year	0	(38)	(12)	(50)
Cost of acquisition at December 31st 2006	2	685	154	839
minus: Accumulated depreciations	(2)	(302)	(12)	(314)
Book value as at December 31st 2006	**0**	**383**	**142**	**525**

THE COMPANY

Amounts in 1.000,00 €

	Sorftware	Other	Total
Amounts in euros			
Cost of acquisition as at 1st January 2005	285	-	285
minus: Accumulated depreciation and value impairment	(250)	-	(250)
Book value as at January 1st 2005	35	-	35
Additions	11	-	11
Depreciations of year 2005	(14)	-	(14)
Cost of acquisition as at 31/12/20005	295	-	295
minus: Accumulated depreciations	(264)	-	(264)
Book value as at December 31st 2005	31	-	31
Additions	8	-	8
Depreciations of year 2006	(14)	-	(14)
Cost of acquisition as at 31/12/20006	303	-	303
minus: Accumulated depreciations	(278)	-	(278)
Book value as at December 31st 2006	25	-	25

9.8 GOODWILL

During this year the Group acquired for euros 11.080.535,48 the 100% of the capital share of the company based in Cyprus LUELLA ENTERPIRSES LTD and through it the 100 % of the indirect participation to the affiliated based in Hong Kong NORTH HAVEN LTD to which belongs the 51,0044% of the company BEOGRADSKO MESOVITO PREDUZECE based in Servia that manages hotel Hyatt at Belgrade. The comparative figures are the ones of the mother company.
This acquisition has as effect the positive change of the turnover of euros 10,2 millions and to the net before taxes profit almost 3,2 millions euros.

From the acquisition the goodwill amounted euros 3.482,91 thousands with the below analysis:

Equity at 5/6/2006 in euros	**14.896,02**
Acquisition in euros	11.080,54
Percentage of acquisition	51,00%
Quota in equity belonging to the Group at 5/6/2006	7.597,62
Goodwill in euros at 5/6/2007	**3.482,91**

According IFRS the buying company is possible, in twelve months from the buying period, to escalate the goodwill.

9.9 INVESTMENT IN AFFILIATED COMPANIES

Investments in subsidiaries were valued at acquisition cost, in the company's financial statements.

	31/12/2006	31/12/2005
Openign carrying amount	17.970	17.970
Profit/ (loss) percentage	0	0
Additions	11.101.750	0
Sales	0	0
Closing carrying amount	**11.119.720**	**17.970**
Instalment due	-19.465	0
Provisions	0	0
Closing carrying amount	**11.100.255**	**17.970**

			2006		2005	
NAME	HEADQUARTERS	TOTAL OF SHARES	% DIRECT INVESTMENT	% INDIRECT INVESTMENT	% DIRECT INVESTMENT	% INDIRECT INVESTMENT
LUELLA ENTERPRISES LTD	CYPRUS	112.000	100%	-	-	-
GRANDE BRETAGNE LTD	GREECE	18.000	99,83%	-	99,83%	-
NORTH HAVEN LTD	HONG KONG		-	100%	-	-
BEOGRADSKO MESOVITO PREDUZECE	SERVIA	8.167	-	51%	-	-

9.10 OTHER LONG TERM OBLIGATIONS

To the account long term obligations are guarantees given from the company and the group and long term claims

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Long term bills receivable				
Minus: interest related to other period		-	-	-
Other long term obligations	58	55	53	55
Total long term obligations	**58**	**55**	**53**	**55**

9.11 DEFERRED TAX

The deferred tax receivables and liabilities are offset if there Group has the applicable legal right to offset current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle.
The amounts offset are the following:

Amounts in 1.000,00 €	THE GROUP				THE COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Assets	Liability	Assets	Liability	Assets	Liability	Assets	Liability
Non Current Assets								
Intangible Assets		(1.690)		(582)		(732)		(582)
Tangible Assets	101		223		101		223	
Participations and long term claims			0	0			0	0
Current Assets								
Reserves	260		429		260		429	
Other Claims								
Long-term Liabilities								
Reserves		(297)		(328)		(297)		(328)
Long-term Liabilities								
Provisions for employees compensation	188		162		188		162	
Short-term Liabilities								
Other provisions								
Claim from set-off of tax losses of previous years	1.631		410		803		410	
Deffered tax obligation from profit		(507)		(431)		(507)		(431)
Deffered tax obligation from profit of previous years		(431)				(431)		
TOTAL	*2.181*	*(2.925)*	*1.225*	*(1.341)*	*1.353*	*(1.967)*	*1.225*	*(1.341)*
Set-off	-815	815						
Effect from the change of tax factor								
Tangible Assets		101		55		101		55
Intangible Assets	(14)		(21)		(14)		(21)	
Stocks	(36)		(40)		(36)		(40)	
Reserves		41		31		41		31
TOTAL	**1.317**	**(1.968)**	**1.164**	**(1.255)**	**1.304**	**(1.825)**	**1.164**	**(1.255)**

9.12 INVENTORY

The analysis of the inventory of the Group and the Company:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw direct and indirect material	540	194	182	194
Spare parts and containers			251	
Merchandise	479	235		235
TOTAL	**1.018**	**429**	**433**	**429**

9.13 CLIENTS AND OTHER CLAIMS

The analysis of the clients and other receivables of the Group and the Company:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Clients	3.047	2.145	2.505	2.145
Minus:Provisions of doubtful debt	- 69	-	-	-
Cheques receivables	190	238	190	238
Net claims	**3.168**	**2.383**	**2.695**	**2.383**

The fair value of the claims are below:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Clients	2.978	2.145	2.505	2.145
Bills receivables	-	-	-	-
Cheques receivables	190	238	190	238
Totals	**3.168**	**2.383**	**2.695**	**2.383**

9.14 OTHER CLAIMS

The other claims of the Group and the company are analyzed below:

Amounts in thousands euros

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Other debtors	870	523	620	523
Advances	81	57	81	57
Totals	**950**	**580**	**701**	**580**

The fair value of claims is:

Amounts in thousands euros

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Other debtors	870	523	620	523
Advances	81	57	81	57
Totals	**950**	**580**	**701**	**580**

The rest current assets are analyzed below:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Prepaid expenses	264	210	193	210
Noncurrent receivables from currently-earned income	19	-	19	-
Other transit debit balances	-	-	-	-
Net debtors claims	**284**	**210**	**212**	**210**

9.15 CASH AND CASH EQUIVALENCE

Cash and cash equivalents are as follows:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash on hand	137	80	131	80
Short-term bank deposits	9.889	11.764	7.107	11.764
Totals	**10.026**	**11.844**	**7.238**	**11.844**

The cash equivalents and the bank overdraft for cash flow reasons are as follows:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash on hand	137	80	131	80
Short-term bank deposits	9.889	11.764	7.107	11.764
Totals	**10.026**	**11.844**	**7.238**	**11.844**

9.16 SHARE CAPITAL

The company's capital at 31 December 2006 amounts euros 23.927.680, divided to 21.364.000 common shares, euro 1, 12 each. The shares are in Greek Stock Market. The company during the year 2006 increased the capital euros 427.280 with the decision of the Board of the Directors at 06.06.2006. The share from euro 1, 10 transformed to euro 1, 12.
According the shareholders record at 28.03.2007 day of approval of the financial statements the shareholders with percentage above the 5% of participation was the VENTURE ABILITY SA with 49,81% (at the last General Assembly this amount was 49,70%), TALANTON INVESTMENTS INC with 6, 21 % and the company UBS AG with 5,73% (at the last General Assembly this amount was 5,47%)

The company's shares are negotiated freely at the Greek Stock market and participate to:

Eurobank Mix Cup 50 Index
FTSE/XA Leisure trips

9.17 LOANS

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Long-term obligation				
Bank loan	-	30.000	-	30.000
Bonds	27.300	-	27.300	-
Total Long-term loans	**27.300**	**30.000**	**27.300**	**30.000**
Bank overdraft				
Short-term loans				
Short-term of bond and bank loans	3.703		3.703	
Total short-term loans	**3.703**	-	**3.703**	-
Total of loans	**31.003**	**30.000**	**31.003**	**30.000**

Furthermore the Group has a short-term of other long-term obligations amounted at euros 3.739 thousand that derives completely from the affiliated company of the Group **Beogradsko Mesovito Preduzece.** Euros 1.491 thousands derive from the company's long term loan and the rest euros 2.248 thousands from the short term of other long term obligations.

9.18 TRADE AND OTHER PAYABLES

The analysis of the balance for the Group's and Company's trade and other liabilities is as follows:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Suppliers	1.717	984	1.352	984
Bills payable	-	-	-	-
Cheques payable	-	-	-	-
Less interest discount				
Totals	**1.717**	**984**	**1.352**	**984**

9.19 TAXES AND SOCIAL SECURITY

The analysis of the balance for the Group's and Company's taxes and social security is as follows:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Taxes obligation	1.861	950	902	950
Social security	697	602	690	602
Totals	**2.558**	**1.552**	**1.592**	**1.552**

9.20 OTHER SHORT-TERM OBLIGATIONS

The analysis of the balance for the Group's and Company's short-term obligations is as follows:

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Dividends payable	44	10	44	10
Accrued income	233	14		14
Accrued expenses	840	425	499	425
Other liabilities	59		59	
Other tradors	1.171	1.067	1.067	1.067
Totals	**2.347**	**1.516**	**1.669**	**1.516**

9.21 OTHER LONG-TERM OBLIGATIONS

The balance of the other long-term obligations at the 31st December 2006 concerns completely the long-term loan amounted euros 25.097 thousands of the affiliated **Beogradsko Mesovito Preduzece** started at 1989 and refinanced at October 2004. The loan was in $ and is paid out in monthly installments. The loan interest is the three months EURIBOR plus 3 % margin. To secure the loan real security is given with reassurance of the company's building in Belgrade.

9.22 PROVISIONS

Provisions are recognized when the Group and the company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. More specifically provisions are for the cases lawsuits of ex-employees. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

	THE GROUP			THE COMPANY		
	EMPLOYEES LAWSUITS	LOSSES FROM SHARES	TOTAL	EMPLOYEES LAWSUITS	LOSSES FROM SHARES	TOTAL
Balance at 1 January 2006						
Balance carried from 1 January 2006	80	50	130	80	50	130
Additional provisions			-	-	-	-
Provisions used	(20)	(1)	(21)	(20)	(1)	(21)
Balance carried at 31 December 2006						
Balance at 31 December 2006	60	49	109	60	49	109

9.22 LIABILITIES FOR PENSION PLAN

	THE CROUP	THE COMPANY
Accumulated provision at 31 December 2004	**565**	**565**
Παροχές που πληρώθηκαν από τον Εργοδότη	- 134	- 134
Σύνολο δαπάνης που καταχωρήθηκε στα αποτελέσματα	218	218
Accumulated provision at 31 December 2005	**648**	**648**
Παροχές που πληρώθηκαν από τον Εργοδότη	- 70	- 70
Σύνολο δαπάνης που καταχωρήθηκε στα αποτελέσματα	181	176
Accumulated provision at 31 December 2006	**759**	**754**

The provision estimation was made by the actuarial company Hewitt.

9.24 SALES TURNOVER

The sales turnover analysis for the Company and the Group is as follows:

(Amounts in throusands euro)	**2006**	**2005**
Room revenues	19.615	17.621
Food and beverage sales	13.317	11.873
SPA and health club sales	829	775
Telephone revenues	210	257
Other revenues	671	474
TOTAL	**34.642**	**31.001**

9.25 ANALYSIS OF EXPENSES BY NATURE

The analysis of expenses by nature for the Group is as follows:

Amounts in 1.000,00 €

1/1-31/12/2006

	THE GROUP		
	Cost of sales	Administrative expenses	Distribution expenses
Cost of stock	6.965	20	9
Wages & other benefits of the employees	12.107	2.433	789
Other third person expenses	968	1.764	781
Professional Fees	2.130	41	47
Taxes & Duties Payable	178	32	13
Other expenses	3.199	818	1.000
Depreciations	3.584		
Provisions	79		
Stock self use	(464)		
	28.746	**5.109**	**2.639**

Amounts in 1.000,00 €

1/1-31/12/2005

	THE GROUP		
	Cost of sales	Administrative expenses	Distribution expenses
Cost of stock	3.662	0	0
Wages & other benefits of the employees	9.362	1.946	631
Other third person expenses	977	1.472	729
Professional Fees	1.946	32	52
Taxes & Duties Payable	139	57	5
Other expenses	1.437	238	561
Depreciations	2.838	0	
Provisions	57	0	
Stock self use	(427)	0	
	19.992	**3.745**	**1.979**

The analysis of expenses by nature for the Company is as follows:

Amounts in 1.000,00 €

1/1-31/12/2006

	THE COMPANY		
	Cost of sales	Administrative expenses	Distribution expenses
Cost of stock	4.318	0	0
Wages & other benefits of the employees	9.828	2.095	694
Other third person expenses	952	1.753	781
Professional Fees	2.139	38	48
Taxes & Duties Payable	176	32	13
Other expenses	1.767	262	537
Depreciations	2.865	0	
Provisions	79	0	
Stock self use	(464)	0	
	21.662	**4.180**	**2.074**

Amounts in 1.000,00 €

1/1-31/12/2005

	THE COMPANY		
	Cost of sales	Administrative expenses	Distribution expenses
Cost of stock	3.662	0	0
Wages & other benefits of the employees	9.362	1.946	631
Other third person expenses	977	1.472	729
Professional Fees	1.946	32	52
Taxes & Duties Payable	139	57	5
Other expenses	1.437	238	561
Depreciations	2.838	0	
Provisions	57	0	
Stock self use	(427)	0	
	19.992	**3.745**	**1.979**

9.26 FINANCIAL COST-NET

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest income from:				
Banks	144	169	144	169
Gains from participations	14	-	14	
Totals	**158**	**169**	**158**	**169**
Interest expenses from:				
Discount of Liabilities coming from personnel pension benefits	26	27	26	27
Bank Loans	3.533	1.213	1.240	1.213
Commission paid for letters of guarantees	1		1	
Other Banking Expenses	35	35	35	35
Financing Leases	5			
Totals	**3.600**	**1.275**	**1.302**	**1.275**

9.27 OTHER ORDINARY INCOME AND EXPENSES

Amounts in 1.000,00 €	THE GROUP		THE COMPANY	
Other operating income	**1/1-31/12/2006**	**1/1-31/12/2005**	**1/1-31/12/2006**	**1/1-31/12/2005**
Grants and sundry sales income	32	42	32	42
Other revenues	560	148	560	148
Income from Rents		328	0	328
Commission		47	0	47
Income from previous years provisions	6	121	6	121
Other	3.459	78	37	78
Totals	**4.058**	**765**	**635**	**765**

	THE GROUP		THE COMPANY	
Other operating expenses	**1/1-31/12/2006**	**1/1-31/12/2005**	**1/1-31/12/2006**	**1/1-31/12/2005**
Losses from foreign exchange differences	22	(68)	22	(68)
Uncertain receivables	20	(83)	20	(83)
Provisions	15	0	15	0
Taxes of previous years	0	(101)	0	(101)
Security compensations	0	0	0	0
Other compensations	0	0	0	0
Taxes not included in the operating cost	341	(169)	341	(169)
Previous years other expenses	76	(125)	76	(125)
Totals	**474**	**(547)**	**474**	**(547)**

9.28 PENDING JUDICIAL CASES OR COURT DECISIONS.

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

9.29 UN AUDITED FISCAL YEARS

The un-audited fiscal years of the Group appear below. An audit is happening for the mother company that it is not finished yet, so no estimation of any possible tax obligations can be made. The management of the company estimates that no tax differences might appear taken into consideration that the company has the right to clear tax recognisable losses of previous years. So no provision is made.

COMPANY NAME	UNAUDITED FISCAL YEARS
HELLENIC HOTEL COMPANY LAMPRSA SA -MOTHER COM	2003-2006
GRANDE BRETAGNE LTD	2004-2006
LUELLA ENTERPRISES LTD	2006
NORTH HAVEN LTD	2000-2006
BEOGRADSKO MESOVITO PREDUZECE	2005-2006

9.30CHANGE IN THE ACCOUNTING ESTIMATIONS

Not applicable.

9.31 NUMBER OF EMPLOYEES.

The number if employees for the year 2006 and 2005 for the Group and the company:

Amounts in thousands euro				
	THE GROUP		THE COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Full-time	703	456	489	456
Part-time	23	15	39	15
Totals	726	471	528	471

9.32 RELATED PARTIES TRANSACTIONS

The related parties transactions according IRFS 24 are below:

Amounts in 1.000,00 €

		THE GROUP	THE COMPANY
a)	Sales of goods and services	39	39
b)	Purchases of goods and services	0	0
c)	Claims	21	21
d)	Obligations	0	0
e)	Transactions nad salaries if general manages and member of the board	1.280	860
f)	Claims of general manages and member of the board	0	0
g)	Obligations of general manages and member of the board	0	0

9.33 INCOME TAXES

Amounts in 1.000,00 €

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Deffered tax for the year	430	503	430	455
Income tax for the year	1.651	455	698	503
Tax expense for the year	2.081	958	1.128	958

9.34 SUBSEQUENT EVENTS

There are no subsequent events to the financial statements concerning the Group and the Company, that should be reported according to the IAS principles.

The President of the BoD	The managing director	The director of finance
Maurice Modiano	Nikolaos D Dandolos	Const..Kyriakos
ID no GR 0203754	ID no X 170751	ID no F 118601