HOTEL
GRANDE BRETAGNE
Athens

GROUP LAMPSA HELLENIC HOTELS SA

INTERMEDIATE FINANCIAL STATEMENTS
For the period from January 1, to June 30,2006
According to International Financial Reporting Standards
which have been adopted by the European Union

It is certified that the attached financial statements are the ones approved by the members of the Board of the Directors of the company “Lampsa Hellenic hotels SA” at the 25/8/2006 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 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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Auditors Review Report

To the shareholder of "Lampsa Hellenic Hotels SA"

We have reviewed the accompanying Interim Financial Statements and the Consolidated Interim Financial Statements of the societe anonyme "**Lampsa Hellenic Hotels SA**", as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company's management.
We conducted our review in accordance with the Greek Review Standard, which is based on the International Standard on Review Engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements and the accompanying Consolidated Interim Financial Statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union (IAS 34).

Athens, 30 August 2006
The Certified Public Accountant

George Deligiannis
SOEL reg. no. 15791
Grant Thornton
44, Vas. Konstantinou str., Athens
SOEL reg. no. 127

HOTEL
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Balance sheet

(Amounts in thousands of euro)

BALANCE SHEET				
Amounts in 000's euro	THE GROUP		THE COMPANY	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
ASSETS				
Non current Assets				
Tangible assets	123.421	86.670	86.907	86.670
Intangible fixed assets	214	31	24	31
Good will	9.616	-	-	
Subsidiaries	-	18	11.099	18
Other long-term claims	59	55	55	56
Deferred Tax assets	2.159	1.164	1.462	1.164
	135.469	**87.938**	**99.546**	**87.938**
Current Assets				
Inventory	983	429	447	429
Trade and receivables	3.319	2.383	2.893	2.383
Other receivables	625	580	538	580
Other current assets	305	210	92	210
Advances	64	-	-	-
Cash and cash equivalent	6.238	11.844	3.159	11.844
	11.533	**15.447**	**7.129**	**15.446**
TOTAL ASSETS	**147.002**	**103.385**	**106.676**	**103.385**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	23.500	23.500	23.500	23.500
Share premium	38.641	38.641	38.641	38.641
Exchange differences	527	-	-	-
Statutory Reserve	302	174	302	174
Other reserves	2.588	1.305	2.588	1.305
Dividends payable	-	1.068	-	1.068
Results carried forward	2.021	1.729	2.635	1.729
Capitals given to the shareholders of the company	**67.581**	**66.418**	**67.666**	**66.418**
Minority rights	1.326	-	-	-
Total equity	**68.907**	**66.418**	**67.666**	**66.418**
LIABILITIES				
Long-term liabilities				
Bond loans	28.200	30.000	28.200	30.000
Bank loans	27.148	-	-	-
Retirement benefit obligation	767	648	729	648
Deferred tax obligation	2.530	1.255	1.846	1.255
Other long-term obligations	7.606	-	-	-
Other provisions	129	130	129	130
Total long-term liabilities	**66.379**	**32.034**	**30.905**	**32.034**
Short-term liabilities				
Bank loan	2.111	-	2.111	-
Short-term debenture and bank loan	2.283	-	-	-
Trade and other payables	1.278	1.166	962	1.166
Taxes and social securities	1.317	1.552	1.141	1.552
Other current liabilities	3.690	1.334	2.854	1.334
Advances	1.036	882	1.036	882
Total short-term liabilities	**11.716**	**4.933**	**8.105**	**4.933**
Total current liabilities	**78.095**	**36.967**	**39.010**	**36.967**
TOTAL EQUITY AND LIABILITIES	**147.002**	**103.385**	**106.676**	**103.385**

Income statement
(Amounts in thousands of Euro)
Any differences in the additions are due to rounding

INCOME STATEMENT								
Amounts in 000's euro	THE GROUP				THE COMPANY			
	1/1-30/6/2006	1/4-30/6/2006	1/1-30/6/2005	1/4-30/6/2005	1/1-30/6/2006	1/4-30/6/2006	1/1-30/6/2005	1/4-30/6/2005
Revenue	17.516	11.179	14.900	8.835	15.779	9.443	14.900	8.835
Less: cost of goods sold	(10.607)	- 6.052	- 9.711	- 5.194	- 9.757	- 5.203	- 9.711	- 5.194
Net revenue	**6.909**	**5.127**	**5.189**	**3.641**	**6.022**	**4.240**	**5.189**	**3.641**
Other operating income	317	180	343	153	297	160	343	153
Selling expenses	- 1.072	- 666	- 1.091	- 613	- 908	- 503	- 1.091	- 613
Administrative expenses	- 2.361	- 1.233	- 2.111	- 1.070	- 2.109	- 981	- 2.111	- 1.070
Other operating expenses	- 468	- 468	- 12	- 12	- 135	- 135	- 12	- 12
Profit before finance charges & taxes	**3.325**	**2.939**	**2.318**	**2.099**	**3.166**	**2.780**	**2.318**	**2.099**
Depreciation	1.502	794	1.401	541	1.418	709	1.401	541
Profit before finance charges, depreciation & taxes	**4.826**	**3.733**	**3.718**	**2.640**	**4.583**	**3.490**	**3.718**	**2.640**
Financial income	100	50	73	47	96	47	73	47
Financial expenses	- 1.230	- 907	- 631	- 318	- 653	- 330	- 631	- 318
Other financial results	-	-	-	-	-	-	-	-
Proportion of result of related companies	-	-	-	-	-	-	-	-
Financial result	**- 1.130**	**- 858**	**- 558**	**- 271**	**- 557**	**- 284**	**- 558**	**- 271**
Depreciation	- 1.502	- 794	- 1.401	- 541	- 1.418	- 709	- 1.401	- 541
Profit before tax	**2.194**	**2.082**	**1.759**	**1.828**	**2.609**	**2.496**	**1.759**	**1.828**
Tax	- 292	- 296	- 673	- 581	- 292	- 296	- 673	- 581
Profit for the year	**1.902**	**1.786**	**1.087**	**1.247**	**2.317**	**2.201**	**1.087**	**1.247**
Attributable to:								
Company's shareholders	2.105	1.989	1.087	1.247	2.317	2.201	1.087	1.247
Minority shareholders	- 203	- 203	-	-	-			
Profit for the period per share - (in Euro)	0,0985	0,0931	0,0509	0,0584	0,1085	0,1030	0,0509	0,0584
Any differences in the additions are due to rounding.								

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Consolidated statement of changes in equity.
(Amounts in thousands of Euro)
Any differences in the additions are due to rounding

	Share capital	Share premium	Other 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**
Changes in equity for the period 1/1-30/6/2005							
Dividends distributed	-	-	- 1.004	-	- 1.004	-	- 1.004
Net result for the period 1/1-30/6/2005	-	-	-	1.087	1.087	-	1.087
Total period difference	**-**	**-**	**- 1.004**	**1.087**	**83**	**-**	**83**
Equity balance at 30/6/2005	**24.996**	**38.641**	**1.478**	**444**	**65.560**	**-**	**65.560**
Balance at 1/1/2006 according IFRS	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**	**-**	**66.418**
Changes in equity for the period 1/1-30/6/2005	-						
Dividends distributed	-	-	- 1.068	-	- 1.068	-	- 1.068
Adjustment of the reserve exchange differences	-	-	518	-	518	16	535
Minority rights from change of the participation percentage to the capital of affiliated company	-	-	1.423	- 1.813	- 390	1.513	1.123
Adjustment of the income directly to the equity	-	-	- 2	-	- 2	-	- 2
Net result for the period 1/1-30/06/2006	-	-	-	2.105	2.105	- 203	1.902
Total period change	**-**	**-**	**871**	**292**	**1.163**	**1.326**	**2.490**
	-	-	-	-	-	-	-
Equity balance 30/06/2006	**23.500**	**38.641**	**3.418**	**2.021**	**67.581**	**1.326**	**68.907**
Any differences in the additions are due to roundings							

Statement of changes in equity of the parent company.
(Amounts in thousands of Euro)
Any differences in the additions are due to rounding

STATEMENT OF CHANGES IN EQUITY FOR THE COMPANY					
Amounts in 000's euro					
	Share capital	**Share premium**	**Other reserves**	**Retained earnigns**	**Total**
Balance at 1/1/2005 according IFRS	**24.996**	**38.641**	**2.483**	**- 642**	**65.477**
Dividends distributed	-	-	5.973	- 6.978	- 1.004
Set-off of escalation differences with profit carried forwar	-		- 8.046	8.048	-
Net result for the period 1/1-30/6/2005	-	-	1.068	18	1.087
Total period difference	**-**	**-**	**- 1.004**	**1.087**	**83**
Equity balance at 30/6/2005	**24.996**	**38.641**	**1.478**	**444**	**65.560**
Balance at 1/1/2006 according IFRS	**23.500**	**38.641**	**2.547**	**1.729**	**66.418**
Changes in equity for the period 1/1-30/6/2005	-				
Dividends distributed	-	-	343	- 1.411	- 1.068
Net result for the period 1/1-30/06/2006	-	-	-	2.317	2.317
Total period change	**-**	**-**	**343**	**906**	**1.249**
Equity balance 30/06/2006	**23.500**	**38.641**	**2.890**	**2.635**	**67.666**

Cash flows (indirect method).

The cash flow for the group appears below:

(Amounts in thousands of Euro)

Any differences in the additions are due to rounding

Cash flows (idirect method)				
Amounts in 000's euro				
	THE GROUP		THE COMPANY	
	1/1-30/6/2006	**1/1-30/6/2005**	**1/1-30/6/2006**	**1/1-30/6/2005**
Profit from operations				
Gain before taxes	2.195	1.759	2.609	1.759
Plus/minor adjustments for:				
Depreciation & amortization	1.502	1.401	1.418	1.401
Provisions (Income from unused prior period provisions)	131	51	81	51
Exchange differences	350	-	-	-
Results (revenue,expenses,profit and loss)of the investment	- 3		-	-
Interest and related income	- 100	-	- 96	-
Interest charges and related expenses	1.211	631	634	631
Plus/minor adjustments for changes of accounts in working capital or related to operating activities				
Increase / (decrease) in inventories	- 45	- 15	- 18	- 15
Increase / (decrease) in receivables	1.927	635	- 652	635
Increase / (decrease) in accounts payable (min banks)	2.448	1.188	2.176	1.188
minus:				
Interest and related expenes paid	- 829	- 631	- 254	- 631
Tax paid	- 1.979	- 673	- 1.955	- 673
Net cash from operating activities (a)	**6.808**	**4.347**	**3.942**	**4.346**
Investing activities:				
(Asquisition) /Disposition affiliated companies minus their cas	- 10.905	-	- 11.081	-
Acquisition of tangible and intangible assets	- 1.647	- 187	- 1.643	- 187
Interest received	99	2	96	2
Net cash used in investing activities (b)	**- 12.453**	**- 185**	**- 12.627**	**- 185**
Cash flows from financing activities:				
Receivings from loans	39	-	-	-
Paid outs of obligations from leasings	- 2	-	-	-
Dividends paid	-	- 1.004	-	-
Net cash from financing activities (c)	**37**	**- 1.004**	**-**	**- 1.004**
Net increase/(decrease) in cash and cash equivalents (a+b+	**- 5.607**	**3.159**	**- 8.685**	**3.158**
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	**6.237**	**11.184**	**3.159**	**11.184**

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 starting from the publication to the Government Gazette of the Royal Decree that approved the company's memorandum of association. The company is functioning from its foundation for eighty-six (86) years.

The principal activity of the company is the acquisition, the construction and the exploitation of hotels in Athens 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 INDIPENDENT MEMBERS

Athanasios Papadopoulos
Thomas Miller
Markos Tsaktanis
Nikolaos Papandreou
Philippos Spiropoulos

The company's shares are in the stock market of Athens from the year 1946.The total of shares in circulation at the 30 June 2005 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, 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.

2.BASIS OF COMPILATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the A semester of the financial year 2006 were made up according the International Financial Reporting Standards (IFRS) and especially according to the standard 34 for the intermediate financial statements.

The intermediate financial statements do not comprise all the information and notes that are needed for the yearly group financial statements at the 31st December 2005 and must be read in connection with the yearly group financial statements at the 31st December 2005.
The accounting principles and the calculations used for the preparation of the financial statement are according the ones used for the preparation of the yearly financial statements for the year 2005 and consistency applied to all the periods appeared.

3.SIGNIFICANT ACCOUNTING POLICIES.

3.1 New accounting principles and IFRIC interpretations

The IASB and the IFRIC have already issued a series of new accounting standards and interpretations that are not part of the "IRFS Stable Platform 2005"and are mandatory for the accounting periods starting from the 1st January 2006 apart the IAS 7 that is implemented for the periods starting the 01/01/2007. The group estimation according the influence of the new standards an interpretation is the following:

- **IAS 6, Exploration and estimation of mineral resources.**

This standard did not effect the financial statement of the group.
Notice of the financial instrument.
The group will impose the IAS 7 from the 1/1/2007.

- **IFRIC 3. Rights on gas transmission.**

It is not implemented.

- **IFRIC 4. Definition if a demand comprises leasing.**

The implementation of the IFRIC 4 will not change the accounting manipulation of any contract in force.

- **IFRIC 5. Rights from the investment of fund for the finance reconstruction and environmental restoration.**

It is not implemented.

- **IFRIC 6. Obligations from activities to special sectors –Management of electrical and electronically garbage.**

  It is not implemented

- **IFRIC 8 "Scope of IFRS 2".**

The Group financial statements will not be affected.

3.2 MANAGEMENT PRINCIPALS.

The principles and estimations used by the company for the decisions making that influence the preparation of the financial statements are based on historical data and assumptions that are consider as logical.
The principles and the parameters of decisions making are revaluated for taking into consideration the current development and the results of any changes are presented in the financial statements in the time they are realized.

3.3 INFORMATION BY SECTOR.

Based on the management structure of the company's affairs, the company decided to chose as a primal basis of the information provided the sector of hotel service provisions, sector from which derive the major revenues of the company.

3.4 CONSOLIDATION.

Affiliated: Are all the companies that are controlled and audited, direct or indirect, from another company (parent company), due the possession of the majority of the shares of the company that the investment was done or due the dependence or the know-how that the groups provide. Meaning that affiliated are the companies that the control is held by the mother company. Lampsa obtains and has the control due to the voting rights. Any potential voting rights during the time of the preparation of the financial statements are taking into consideration in order to be evidenced if the mother company has control over the affiliated companies. The affiliated companies are fully consolidated with the method of take-over during the date that the control is acquired and stop been consolidated when such control does not exist any more. The take-over is accounting according the purchase method. The cost of value is the value of the assets given, the stocks issued and the obligations taken during the date of the exchange, plus any related cost with the transaction. The assets, obligations and possible obligations acquired in a business consolidation are valued during the take-over to the fair value of the elements acquired and is posted as surplus value. If the total cost of the take-over is less the possible value of the elements acquired the difference is posted directly to the results. Inter company
Transactions ,balances and non realized profits from the inter company transactions are erased. Also, the non realized losses are erased, except if the transaction has signs of decrement, of the transferred asset. The accounting standards of the affiliated are modified as to be the same as the ones adopted by the group.

3.5 FOREIGN CURRENCIES

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

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

3.6 DECRESEMENT OF THE ASSETS VALUE.

Tangible assets that have no defined length of life are not depreciated and they are subject to a yearly test for any possible decresement losses, when facts or changes show that the accounting value is highly possible not be regained. Tangible assets that are depreciated are subject to a test for any possible decresement losses, when there are facts showing that their accounting value cannot be replaced. The replacement value is the higher amount between the net sale value and the present value.
The loss deriving from the dicreasement of the assets value is recognized from the company when their book value is higher that the replacement value.
Net sale value is the amount from the sale of an asset element when both parts have full knowledge and agree, after the deduction of every direct cost of disposal of the asset , when, the value is the present value of the future estimated cash flow deriving from the use of an asset and its disposal at the end of its estimated life.

3.7 FINANCIAL INSTRUMENTS

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

The basic financial instruments of the company are cash, bank deposits, short- term receivables and obligations, financial elements for sale and some other forms of finance, the long-term loan is included.
Financial assets and financial liabilities that have interest are evaluated to the non-depreciated cost with the method of the effective interest rate.
Any differences in the evaluation of the value of the current assets for sale are carried to the equity.
The company does not use derivatives, neither for commercial reasons nor for other reasons.

3.8 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, realised for the fixed assets, are capitalized only if they add value to the future benefits coming for the use of the above assets.
All the rest maintenance, amendment etc. expenses are registered as expenses in the date of their realization.
Depreciation is provided on the cost in equal annual installments over the estimated remaining useful life of the assets, except for land and assets under construction. Under the straight-line method, the depreciation charge to the income statement is the same for the useful life of the asset, except if this changes.

The following depreciation rates are used:

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

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

3.9 OTHER INTAGIBLE ASSETS.

In this category are the software programs presented in the acquisition cost minus depreciations and if, there are special reasons, minus the amount of decrement.
Depreciations are calculated based on the duration of the useful value of the asset and with the method of fixed percentage of depreciation that the company has defined in 5 years depreciating the software programs with 20%.
The depreciation for the incorporeal assets and the expenses for the maintenance of the software programs are calculated to the year of the financial results created.

3.10 TAXATION AND DEFFERED TAX.

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

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

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

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

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

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

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

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

3.11 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.

3.12 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.

3.13 CASH AND CASH EQUIVALENTS

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

3.14 RETIREMENT BENEFIT COST

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

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

- **Program for defined contributions**

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

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

- **Program for defined benefits.**

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

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

Benefits for the work termination: The benefits due to the work termination are given when the employees leave before the retirement date. When the company is committed posts these benefits or when the employment of certain employees is terminated according to a detailed plan for which there is no option of retirement or when these benefits give motivation for optional retirement. When these benefits are payable in a period of time after the twelve months of the balances sheet date, then they must be granted according the attribution of the high quality of the company's bond or of the government's bond.

In case of an offer encouraging the optional retirement the estimation of the benefits during the retirement must be based on the number of the employees excepted to receive this offer.

In case of termination that it is difficult to define the number of the employees that are going to use these benefits only announcement is done for this possible obligation.

3.15 Provisions

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

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

3.16 Revenues

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

Revenues derive from:

a) Sales of goods

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

b) Sales of services

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

3.17 Expenses

Leasing.

Leases are classified as operating leases.

Financial cost.

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

3.18 Earnings/ (Losses) per share.

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

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23Risk 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.

3.24 Share capital

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

3.25 Dividend distribution.

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

4.Notes on the financial statements

4.1 Group structure and consolidation method

The companies participating in the group are:

COMPANY NAME	HEADQUARTERS	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD	ACTIVITY
HELLENIC HOTEL COMPANY LAMPRSA SA -MOTHER COM	GREECE	MOTHER COMPANY	TOTAL	HOTEL
GRANDE BRETAGNE LTD	GREECE	DIRECT 99,83%	TOTAL	GIFT SHOP
LUELLA ENTERPRISES LTD	CYPRUS	DIRECT 100%	TOTAL	
NORTH HAVEN LTD	HONG KONG	INDIRECT 100%	TOTAL	
BEOGRADSKO MESOVITO PREDUZECE	SERVIA	INDIRECT 51,00%	TOTAL	HOTEL

The group acquired the 100% of the capital share of the company "Luella Enterprises Ltd" based in Cyprus for the amount of euro 11.080.535,48 and through this company the 100% of the indirect participation of its affiliated company, "North Haven Ltd" based in Hong Kong, to which belongs the 51,00% of the company "Berogradsko Mesovito Preduzece" based in Servia. The above companies are consolidated for the first time. The comparative figures of the previous period are the ones of the mother company.

This acquisition had a positive impact in the group's turnover amounting euro 1.737 thousands, negative change to the EBIT amounting euro 415 thousands when the equity raised euro 1.241 thousands.

The good will deriving from the acquisition amounted euro 9.616 thousands defined as:

Amounts in thousands of euro

ACQUISITON DATE	06/06/2006
PERCENTAGE OF ACQUISITION	51,00%
ACQUISITION COST	11.081
VALUE OF ASSETS AND OBLIGATIONS IN EURO	1.575
GOOD WILL	9.505
EXCHANGE GOOD WILL DIFFERENCES AT 30/6/2006	111
GOOD WILL AT 30/6/2006	9.616

The assets acquired and the obligations and any possible obligations taken for the group during the acquisition is:

BALANCE SHEET				
	GRAND BRETAGNE LTD	**LUELLA ENTERPRISES LTD**	**NORTH HAVEN LTD**	**BEOGRADSKO MESOVITO PREDUZECE**
	30/06/2006	30/06/2006	30/06/2006	30/06/2006
ASSETS				
Current Assets	7	11.081	11.825	37.398
Inventory	148	-	-	388
Trade and receivables	-	-	-	455
Other assets	61	2	-	3.382
TOTAL ASSETS	**216**	**11.082**	**11.825**	**41.622**
EQUITY AND LIABILITIES				
Long term obligations	6	-	-	35.469
Short-term bank obligations	-	-	-	2.283
Other short-term obligations	186	5	3	1.164
Total liabilities (a)	**192**	**5**	**3**	**38.916**
Share capital	18	-	11.825	22.890
Other equity of company's shareholder	68	11.076	- 3	- 20.183
Total equity of company's shareholder (b)	24	11.078	11.822	2.707
Minority rights (c)	-	-	-	-
Total equity (d)= (b)+(c)	**24**	**11.078**	**11.822**	**2.707**
TOTAL EQUITY AND LIABILITIES (e)= (a)+(d)	**216**	**11.082**	**11.825**	**41.622**

A final evaluation of the assets has not been yet competed and the assets value and the obligations taken and of any possible obligations are based on the present value.

HOTEL
GRANDE BRETAGNE
Athens

4.2 Sales according world sector.

The sales according to sector are below.

According geografical section	GREECE	1/1-30/6/2006 COUNTRIES OUT E.C.	TOTAL	GREECE	1/1-30/6/2005 COUNTRIES OUT E.C.	TOTAL
Sales	15.779	1.737	17.516	14.900	-	14.900
Cost of sales	- 9.757	- 849	- 10.606	- 9.711	-	- 9.711
Gross profit	**6.022**	**887**	**6.909**	**5.189**	-	**5.189**
Other revenues	297	20	317	343	-	343
Selling expenses	- 908	- 164	- 1.072	- 1.091	-	- 1.091
Administrative expenses	- 2.109	- 252	- 2.361	- 2.111	-	- 2.111
Other expenses	- 135	- 333	- 468	- 12	-	- 12
Results before financ.and investment results	**3.166**	**159**	**3.325**	**2.318**	-	**2.318**
Depreciation	1.418	84	1.502	1.401	-	1.401
Results before financ.and investment results and depreciations	**4.583**	**243**	**4.826**	**3.718**	-	**3.718**
Financial revenues	96	3	99	73	-	73
Financial expenses	- 653	- 577	- 1.230	- 631	-	- 631
Other financial results	-	-	-	-	-	-
Proportion of result of related companies	-	-	-	-	-	-
Financial result	- **557**	- **574**	- 1.131	- **558**	-	- 558
Depreciation	- 1.418	- 84	- 1.502	- 1.401	-	- 1.401
Profit before taxes	**2.609**	- **415**	**2.194**	**1.759**	-	**1.759**
Income tax	- 292	-	- 292	- 673	-	- 673
Afrer taxes profit	**2.317**	- **415**	**1.902**	**1.087**	-	**1.087**

4.3 Real weights.

For the existing group and the company's loan obligations at the 30/06/2006 existed mortgages on the buildings amounting euro 66,20 millions and euro 39 millions.

4.4 Litigious cases of under arbitation.

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

4.5 Un-audited fiscal years.

The mother company has not been audited for the fiscal years 2003,2004 and 2005.
For the group are presented below:

COMPANY NAME	UNAUDITED YEARS
GRANDE BRETAGNE LTD	2004-2005
LUELLA ENTERPRISES LTD	-
NORTH HAVEN LTD	2000-2005
BEOGRADSKO MESOVITO PREDUZECE	2005

4.6 Investments for the A semester 2006.

The investments for the A semester 2006:are for the group euro 1.647 thousands and for the company euro 1.643 thousands.

4.7 Related parties transactions.

	Purchases - sales 1/1/-30/06/2006					
	Amounts in thousands of euro		BUYER			
			Lampsa SA	GRANDE BRETAGNE LTD	LUELLA ENTERPRISES LTD	TOTAL
VENDOR	LAMPSA SA	Mother		19		19
	GRANDE BRETAGNE LTD	Affiliate				0
		Affiliate				0
	TOTAL		0	19	0	

	Claims - Oligations 1/1- 30/06/2006					
	Amounts in thousands of euro		OBLIGATIONS			
			LAMPSA SA	GRANDE BRETAGNE LTD		TOTAL
CLAIMS	LAMPSA SA	Mother		30		30
CLAIMS	GRANDE BRETAGNE LTD	Affiliate				0
CLAIMS	LUELLA ENTERPRISES LTD	Affiliate				0
	TOTAL		0	30	0	

4.8 Number of employees.

The number of employees is

	THE GROUP		THE COMPANY	
	30/06/2006	30/06/2005	30/06/2006	30/06/2005
Employees	703	470	465	470
Wage-earner	23	24	23	24

4.9 Benefits to the management.

Amounts in thousands euro				
	THE GROUP		THE COMPANY	
	1/1-30/6/2006	1/1-30/6/2005	1/1-30/6/2006	1/1-30/6/2005
Salaries and other short-term benefits	541	430	497	430
	541	430	497	430

4.10 Profit per share.

		THE GROUP		THE COMPANY	
		30/06/2006	30/06/2005	30/06/2006	30/06/2005
Profit for the shareholders of the mother company		21.005	1.087	2.317	1.087
Total number of shares		21.364.000	21.364.000	21.364.000	21.364.000
Basic per share profit		0,0985	0,0509	0,1085	0,0509

4.11 Events after the closing date.

Apart from the above-mentioned facts no further facts exist that acquire further mentioning according the IAS.

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