

LAMDA DETERGENT S.A.
Interim Financial Statements
for the six-month period from 1 January to 30 June 2006



This is to certify that the attached Interim Financial Statements are those which have been approved by the Board of Directors of LAMDA DETERGENT S.A. on 24 July 2006 and have been published by posting them on the internet, at the address www.lamda-detergents.gr. The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards. Please note, that for purposes of simplification, some accounts in the published financial statements have been abridged or rearranged.

Lavrentis Lavrentiadis
Chairman of the Board of Directors
LAMDA DETERGENT S.A.



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INCOME STATEMENT
(Amounts in thousand Euro)

		Group		Company	
		A Semester 2006	A Semester 2005	A Semester 2006	A Semester 2005
Sales	1	57.442	35.578	57.223	35.578
Cost of sales		(47.756)	(29.687)	(47.493)	(29.687)
Gross profit	1	9.686	5.891	9.730	5.891
Other operating income – expenses (net)		111	74	110	74
Selling, distribution and administrative expenses		(2.182)	(1.608)	(1.911)	(1.608)
Operating profit		7.615	4.357	7.929	4.357
Finance costs (net)		(1.243)	(953)	(1.214)	(953)
Net profit before tax		6.372	3.404	6.715	3.404
Income tax expense	9	(851)	(172)	(851)	(172)
Net profit for the period		5.521	3.232	5.864	3.232
Attributable to:					
Equity holders of the parent		5.521	3.232		
Minority Interest		0	0		
		5.521	3.232		
Earnings per share basic (after tax) (in Euro)		0,14	0,29	0,15	0,29



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BALANCE SHEET (amounts in thousand Euro)

		Group		Company	
		30.6.2006	31.12.2005	30.6.2006	31.12.2005
ASSETS					
Non-current assets					
Intangible assets	2	1.857	160	484	160
Property, plant and equipment	3	115.050	79.543	78.446	79.543
Deferred tax asset	9	95	111	95	111
Investments in affiliated companies		0	0	15.000	0
Other long-term receivables		40	34	40	34
		117.042	79.848	94.065	79.848
Current Assets					
Stocks	4	23.492	13.652	23.380	13.652
Trade and other receivables	5	11.520	11.138	11.025	11.138
Cash and cash equivalents	6	7.096	2.044	933	2.044
Financial Assets available for sale		0	71	0	71
		42.108	26.905	35.338	26.905
Total Assets		159.150	106.753	129.403	106.753
EQUITY					
Of parent shareholders :					
Share capital		11.725	11.725	11.725	11.725
Share premium account		901	901	901	901
Reserves		9.898	9.898	9.898	9.898
Revaluation adjustment		14.860	14.860	14.860	14.860
Retained earnings		6.884	1.462	7.227	1.462
		44.268	38.846	44.611	38.846
Minority interest:					
Total equity		44.268	38.846	44.611	38.846
LIABILITIES					
Long-term liabilities					
Long-term debt	8	42.015	40.000	42.000	40.000
Provisions and other long-term liabilities	8	50	44	50	44
Deferred tax liabilities	9	1.938	667	765	667
Personnel dismissal and retirement compensation provisions	10	75	65	75	65
		44.078	40.776	42.890	40.776
Short-term liabilities					
Suppliers, cheques, notes	7	63.425	25.206	34.524	25.206
Income tax payable		760	1.203	759	1.203
Short-term borrowings	8	4.960	0	4.960	0
Other payables	7	1.659	722	1.659	722
		70.804	27.131	41.902	27.131
Total Equity and Liabilities		159.150	106.753	129.403	106.753



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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The Group

	Share Capital	Share premium	Total reserves	Retained earnings	Minority Rights	Grand total
Balance 01/01/2005	11.000	0	17.517	32	0	28.549
Net income for the period				3.232	0	3.232
Balance 30/6/2005	11.000	0	17.517	3.264	0	31.781
Balance 01/01/2006	11.725	901	24.758	1.462	0	38.846
Net income for the period				5.521		5.521
Distributed dividends				(99)		(99)
Balance 30/6/2006	11.725	901	24.758	6.884	0	44.268

The Company

	Share Capital	Share premium	Total reserves	Retained earnings	Minority Rights	Grand total
Balance 01/01/2005	11.000	0	17.517	32	0	28.549
Net income for the period				3.232	0	3.232
Balance 30/6/2005	11.000	0	17.517	3.264	0	31.781
Balance 01/01/2006	11.725	901	24.758	1.462	0	38.846
Net income for the period				5.864		5.864
Distributed dividends				(99)		(99)
Balance 30/6/2006	11.725	901	24.758	7.227	0	44.611



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CASH FLOW STATEMENT

	Group		Company	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Cash flows from operating activities				
Net profit before taxes (and minority interests)	6.372	3.404	6.715	3.404
Net finance costs	1.254	954	1.225	954
Profit/Loss on valuation of investments	25	0	0	0
Profit/Loss on disposal of fixed assets	0	0	0	0
Depreciation and amortization	3.351	2.496	3.351	2.496
	11.002	6.854	11.291	6.854
Increase /(decrease) of inventories	(9.778)	(7.916)	(9.786)	(7.916)
Increase/(decrease) of receivables	(39)	(7.645)	171	(7.645)
Increase /(decrease) of liabilities	38.495	10.590	9.698	10.590
Increase provision for post-employment benefits	10	4	10	4
Cash flows (used in)/ from operating activities	28.688	(4.967)	93	(4.967)
Profit/Loss on valuation of investments	0	0	0	0
Interest paid	(1.761)	(954)	(1.732)	(954)
Income tax paid	(102)	0	(103)	0
Net cash flows (used in)/ from operating activities	37.827	933	9.549	933
Cash flows used in investing activities				
Purchase of tangible and intangible assets	(28.786)	(6.524)	(2.578)	(6.524)
Participations	(10.493)	0	(15.000)	0
Disposal of short-term investments	71	0	71	0
Paid guarantees	(5)	0	(5)	0
Net cash flows used in investing activities	(39.213)	(6.524)	(17.512)	(6.524)
Cash flows from financing activities				
Net Increase/ (decrease) of short term loans	4.639	10.186	4.956	10.186
Increase/(decrease) of long term loans	2.000	(4.127)	2.000	(4.127)
Increase/(decrease) of other long term loans	(97)	0	0	0
Paid mother's dividend	(104)	0	(104)	0
Payments of financial leasing liabilities (capital installments)	0	(735)	0	(735)
Net cash flows from financing activities	6.438	5.324	6.852	5.324
Net increase in cash and cash equivalents	5.052	(267)	(1.111)	(267)
Cash and cash equivalents at the beginning of period	2.044	446	2.044	446
Cash and cash equivalents at the end of the period	7.096	179	933	179



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A. Corporate information

The Group consists of the Parent company LAMDA DETERGENT S.A. ('the Company' or the 'Parent Company') and its subsidiaries ('the Group'). The principal activity of the Group is the production of detergents. The Company's registered address is 34, Pentelis Street, 175 64 Palaio Faliro, Greece and it employs a total of 50 people, while the Group employs 97 people.

The Company's shares are traded in the Athens Stock Exchange.

Effective November 25, 2005 Lamda Detergent acquired 69,87% of the total shares of Ballis SA by Mrss C. Ballis and E. Papadopoulou. At the same time the Boards' of Directors of the aforementioned companies decided to merge according to a plan that Ballis was to assume Lamda Detergent. This legal merger was to be implemented following the provisions of Law 2190/1920 and 2166/1993 whereas conversion date was opted the 30th November 2005.

The legal merger concluded following the approval and the subsequent registration to the Companies' Registry on March, 17 2006 for Ballis and on March 20, 2006 for Lamda Detergent.

Following the finalization of the merger, Lamda Detergent's shareholders exchanged each one of their shares, which were bearing a nominal value of € 1 each, by 3.462616 shares of Ballis, which were bearing a nominal value of € 0.30 each. Respectively, Ballis shareholders exchanged each one of their shares, which were bearing a nominal value of € 0.30 each, by 0.411671 shares of Lamda Detergent's, which were bearing a nominal value of € 1 each.

In addition, Ministry of Trade, protocol no. K2-3428/17.03.2006, approved the amendment of the respective company's Articles of Association and Ballis SA renamed to Lamda Detergent SA.

The Company's and the Group's financial statements for the period ended on June 30st 2006 have been authorized for issue on July 24, 2006 by the Board of Directors.

The subsidiary companies included in the attached consolidated financial statements of the Group are presented in the note Bii.

B. Summary of significant accounting policies

i. Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis, with the exception of the evaluation of particular elements of assets and liabilities in fair values and a going concern basis.

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are prescribed by the International Accounting Standards Board (IASB) and which have been adopted



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by the European Union. In particular these interim financial statements are in accordance with the provisions of the IAS 34 “Interim Financial Information”.

Ballis SA released its first IFRS financial statements for the year ended December 31, 2005 for which the transition date was January 1, 2004. Following the acquisition of its majority stake by Lamda Detergent its financial statements have been included in the consolidated financial statements of NEOCHIMIKI SA.

Lamda Detergent, being a subsidiary of NEOCHIMIKI SA., adopted the IFRS first time in January 1, 2004 and prepared accounting statements in accordance with these standards for servicing its Parent’s consolidation objective.

Due to the approval of its legal merger with Ballis SA, the company prepared its last standalone financial statements as of the merger date November 30, 2005.

Following the facts explained in above, the accompanied financial statements include the following:

- The standalone and consolidated balance sheet as of June 30, 2006 having comparatives the respective pro-forma financial statements as of December 31, 2005, prepared in accordance with IFRS, initially to be included in the Prospectus required by Article 4 of Law 3401/2005.
- The standalone and consolidated income statements and the respective statements of changes in shareholders’ equity and cash flows for the first semester of 2006, having comparatives the respective statements of the first semester 2005 referred to Lamda Detergent, which in accordance with IFRS 3 – “Business Combinations”, consists the acquirer entity whose operations are continued following the legal merger.
- The comparative pro-forma financial information include in the statement of changes in shareholders equity the operating results of, Lamda Detergent, the legally absorbed entity, for the period following its last financial statements (conversion) until December 31, 2005 covering the period that the company had not published any financial statements. The net profit for this period amounted to € 695 thousand.

The basic accounting principles adopted in the accompanied Interim Financial Statements are the same that both companies have been adopted in the preparation of the Financial Statements for the year ended at 31st December 2005.

These financial statements are based in the financial statements prepared by the Group in accordance with the Local Generally Accepted Accounting Principles (GAAP), adjusted with the proper out of book entries, in order to comply with IFRS.

The preparation of the financial statements in accordance with generally accepted accounting principles requires the use of estimations and assumptions affecting the balances of the assets and liabilities accounts, and disclosure of potential assets and liabilities records on the preparation date of the financial statements, as well as the disclosed income and expenses during the years in



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question. Although these estimates are based on the best knowledge of the management (of the Group) the real results may eventually differ from these estimates. No Standards have been implemented prior to the commencement date of their implementation

ii. Consolidation

Base of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The subsidiaries included in these consolidated financial statements are as follows:

Company	Country of registered office	Activity	% of participation in the Group
Lamda Detergent Limited	Cyprus	Detergent	100%
Lamda Detergent OOD	Bulgaria	Detergent	100%

1. Segmental analysis

Prime and secondary segments of analysis

On June 30, 2006 the Group's activities constitute one business segment, namely that of production of detergents and production and distribution of chemical raw materials. Financial results per segment for the six month periods ending on June 30, 2005 and June 30, 2006 are as follows:

<u>Semester 1 2005</u>	Production	Distribution	Total amounts
Third-party sales	21.914	13.664	35.578
Gross Profit			5.891
Other income for the period			74
Operating expenses (selling and administrative)			(1.608)
Operating Profit of segments			4.357
Finance costs			(953)
Profit before tax			3.404
Income tax expense			(172)
Profit after tax			3.232
Minority Interest			0
Profit, after taxes, attributable to the Group			3.232



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<u>Semester 1 2006</u>	Production	Distribution	Total amounts
Third-party sales	39.346	18.096	57.442
Gross Profit			9.686
Other income for the period			111
Operating expenses (selling and administrative)			(2.182)
Operating Profit			7.615
Finance costs			(1.243)
Profit before tax			6.372
Income tax expense			(851)
Profit after tax			5.521
Minority Interest			0
Profit, after taxes, attributable to the Group			5.521

2. Tangible Fixed Assets

Transactions 1st Semester 2006 – The Group

	Total Fixed Assets
At cost or evaluation	
1.1.2006	89.157
Additions for the period	29.542
Acquisition of subsidiary	9.270
30.6.2006	127.969
Depreciation	
1.1.2006	(9.614)
Depreciation for the period	(3.305)
30.6.2006	(12.919)
Net book value	
30.6.2006	115.050



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Transactions 1st Semester 2006 –The Company

	Total Fixed Assets
At cost or evaluation	
1.1.2006	89.157
Additions for the period	2.208
30.6.2006	91.365
Depreciation	
1.1.2006	(9.614)
Depreciation for the period	(3.305)
30.6.2006	(12.919)
Net book value	
30.6.2006	78.446

No mortgages and prenotices exist on fixed assets for loans.

3. Intangible fixed assets

Intangible fixed assets include purchased software (SAP), which is fully attributed to the Company and goodwill from the purchase of participations. The transactions of the related accounts are as follows:

1.1. – 30.6. 2006

	Total
Net book value	160
Additions	1.743
Depreciation for the period	(46)
Net book value	1.857

The additions of the period include goodwill from the acquisition of Lamda Detergent OOD amounting to €1.326. Lamda Detergent OOD is headquartered in Sofia, Bulgaria, and its core activity is production of detergents in liquid and powder form. Lamda Detergent OOD's factory in Sofia has a total annual capacity of 100.000 tones (50.000 tones in liquid and 50.000 tones in powder form per year).



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Goodwill comes up as follows:

	LAMDA DETERGENT OOD
Tangible and Intangible Assets	10.457
Inventories	105
Trade and other accounts receivable	83
Cash and cash equivalents	7
Trade accounts payable	(60)
Personnel dismissal and retirement compensation	-
Borrowings	(137)
Other Liabilities	(12)
Deferred Tax	(1.173)
Net assets at acquisition	9.270
Effective % acquired	100,00%
Cash paid	10.500
Transaction Expenses	96
Total amount	10.596
Acquired assets	(9.270)
Goodwill	1.326
Cash paid	10.596
Cash at acquisition date	(7)
Cash outflow at acquisition	10.589

4. Inventories

Group's and Company's inventories are analyzed as follows:

	The Group		The Company	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Finished Goods	9.547	5.468	9.435	5.468
Raw and packaging materials	13.826	7.904	13.826	7.904
Merchandise	119	222	119	222
Advances for inventories	0	58	0	58
Total	23.492	13.652	23.380	13.652



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5. Receivables

	The Group		The Company	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Customers	9.651	10.652	9.156	10.652
Post-dated cheques	1.161	1.945	1.161	1.945
Notes receivables	73	79	73	79
Debtors	3.432	1.317	3.432	1.317
Other receivables	139	81	139	81
	14.456	14.074	13.961	14.074
Minus: impairment provisions	(2.936)	(2.936)	(2.936)	(2.936)
Total	11.521	11.138	11.025	11.138

All receivables are short – term and prepayment is not required at the date of the balance sheet.

There is no concentration of the credit risk related to receivables from clients given that the Group has a large number of clients and the credit risk is dispersed.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and the Company and bank deposits available on demand.

7. Suppliers and other liabilities

	The Group		The Company	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Suppliers	63.364	24.576	34.464	24.576
Cheques payable	0	594	0	594
Notes payable	61	36	61	36
Other liabilities	1.659	722	1.658	722
Total	65.084	25.928	36.183	25.928



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8. Loans

	The Group		The Company	
	30.6.2006	31.12.2005	30.6.2006	31.12.2005
Long – term loans				
Debtentures	42.000	40.000	42.000	40.000
Finance lease liability	0	44	0	44
Long-term loans	15	0	0	0
	42.015	40.044	42.000	40.044
Sort – term loans				
Bank short - term loans	4.960	0	4.960	0
	4.960	0	4.960	0
Total loans	46.975	40.044	46.960	40.044

The Company received a syndicated bond of € 40,000 th., with a view to re-finance its existing borrowings with more permanent working capital. The interest rates of the said loan are fluctuant according to Euribor increased by 1.80%. The repayment timetable and the share of participation of each bank to the new bond is presented in the following table.

Repayment timetable	
Date	(in €'000)
30/12/2008	4.000
30/12/2009	4.000
30/12/2010	8.000
30/12/2011	8.000
30/12/2012	16.000
Total	40.000

Furthermore, the Company received a syndicated bond of € 2,000 th., with a view to re-finance its existing borrowings with more permanent working capital. The interest rates of the said loan are fluctuant according to Euribor increased by 1.80%. The repayment timetable and the share of participation of each bank to the new bond is presented in the following table.

Repayment timetable	
Date	(in €'000)
7/7/2009	2.000
Total	2.000

The company's bonds is free of charges. There are covenants referring to the maintenance of specific financial figures and ratios for all the duration of the bond.



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9. Income Taxes

The tax charges for the period have been quantified as follows:

	The Group		The Company	
	1st Semester 2006	1st Semester 2005	1st Semester 2006	1st Semester 2005
Current tax charge	723	45	723	45
Previous periods tax charges	15	0	15	0
Deferred tax charge	113	127	113	127
	851	172	851	172

Tax charges have been calculated on the basis of the effective tax rates for the previous periods. Within the management's constant plans is the minimization of tax charges, based on the motives provided in the tax laws. On this basis, it has been considered that the profits for the period of the Company and its subsidiaries will be distributed to untaxed reserves at the maximum allowed amount.

Non-deductible charges mainly include provisions, which are readjusted from the Management on calculation of the income tax.

The deferred tax accounts are analyzed as follows:

	Group		Company	
	1st Semester 2006	1st Semester 2005	1st Semest er 2006	1st Semest er 2005
Balance at the beginning of the period	557	705	557	705
Tax on results	113	127	113	127
Tax on equity (acquired company)	1.173	0	0	0
Balance at the end of the period	1.843	832	670	832

10. Obligations towards employees

The obligation of the Company and the Group towards its employees in Greece to provide them future benefits depending on their length of service is



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quantified and reported on the basis of the accrued entitlement, as at the date of the balance sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The discount rate used (5%) is equal to the yield, as at the balance sheet date, of long-term Greek Government bonds.

Persons employed and related costs

	The Group		The Company	
	<u>1st</u> Semester 2006	<u>1st</u> Semester 2005	<u>1st</u> Semester 2006	<u>1st</u> Semester 2005
Number of persons employed				
Salaried employees	87	38	40	38
Workers	10	10	10	10
Total	97	48	50	48
Cost	1.291	714	1.230	714

11. RELATED PARTY DISCLOSURES:

The consolidated financial statements include the financial statements of LAMDA DETERGENT S.A. and its subsidiaries listed in Note Bii. Also the Company is subsidiary of NEOCHIMIKI L.V. LAVRENTIADIS S.A.

LAMDA DETERGENT purchases goods and services from and makes sales of goods to certain related companies in the ordinary course of business. Such related companies consist of companies, which have common ownership and/or management with Neochimiki.

Sales and purchases of the Company, cumulatively from the beginning of the financial year, with affiliated companies as defined in IAS 24, amount to € 13.775 thousand and € 33.352 thousand respectively.

The balances of receivables and liabilities with affiliated, as defined in IAS 24, companies at the end of the current period amount to €4.001 thousand and € 23.965 thousand respectively.

The amounts of consolidated sales and purchases (after eliminating intercompany transactions) of the Company cumulatively from the beginning of the financial year, with affiliated as defined in IAS 24 companies, amount to € 13.775 thousand and € 33.352 thousand respectively.



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The balances of receivables and liabilities (after eliminating intercompany transactions) with affiliated, as defined in IAS 24, companies at the end of the current period amount to €4.001 thousand and € 23.965 thousand respectively.

Sales and services are provided at normal price market. Trade balances at the end of the year are not reassured and the arrangement takes place in cash. No assurances were given or received for the above receivables. For the period ended at June 30, 2006 the Company has not formed any provision for receivables coming from related parties.

12. Follow facts:

There are no follow facts after the end of the period

13. Expected liabilities:

There are no expected liabilities after the end of the period

