

LAMDA DETERGENT S.A.
Interim Financial Statements
for the three-month period from 1 January to 31 March 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 2 May 2006 and have been published by posting them on the internet, at the address www.lamda-detergent.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 Trimester 2006	A Trimester 2005	A Trimester 2006	A Trimester 2005
Sales	1	20.732	16.815	20.732	16.815
Cost of sales		(16.039)	(14.023)	(16.039)	(14.023)
Gross profit	1	4.693	2.792	4.693	2.792
Other operating income – expenses (net)		33	62	33	62
Selling, distribution expenses		(568)	(562)	(568)	(562)
Administrative expenses		(250)	(224)	(250)	(224)
Operating profit		3.908	2.068	3.908	2.068
Finance costs (net)		(561)	(455)	(560)	(455)
Net profit before tax		3.347	1.612	3.348	1.612
Income tax expense	9	(443)	(76)	(443)	(76)
Net profit for the period		2.904	1.537	2.905	1.537
Attributable to:					
Equity holders of the parent		2.904	1.537		
Minority Interest		0	0		
		2.904	1.537		
Earnings per share basic (after tax) (in Euro)		0,07	0,04	0,07	0,04



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BALANCE SHEET (amounts in thousand Euro)

		Group		Company	
		31.3.2006	31.12.2005	31.3.2006	31.12.2005
ASSETS					
Non-current assets					
Intangible assets	2	1.466	160	198	160
Property, plant and equipment	3	88.845	79.543	78.426	79.543
Deferred tax asset	9	101	111	101	111
Investments in affiliated companies		0	0	2.000	0
Other long-term receivables		34	34	34	34
		90.446	79.848	80.759	79.848
Current Assets					
Stocks	4	28.804	13.652	28.698	13.652
Trade and other receivables	5	15.105	11.138	15.022	11.138
Cash and cash equivalents	6	1.506	2.044	1.000	2.044
Financial Assets available for sale		0	71	0	71
		45.415	26.905	44.720	26.905
Total Assets		135.861	106.753	125.479	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 (loss)		4.366	1.462	4.367	1.462
		41.750	38.846	41.751	38.846
Minority interest:					
Total equity		41.750	38.846	41.751	38.846
LIABILITIES					
Long-term liabilities					
Long-term debt	8	40.000	40.000	40.000	40.000
Long-term financial leases	8	0	44	0	44
Deferred tax liabilities	9	1.892	667	720	667
Personnel dismissal and retirement compensation provisions	10	66	65	66	65
		41.958	40.776	40.786	40.776
Short-term liabilities					
Suppliers, cheques, notes	7	44.855	25.206	35.793	25.206
Income tax payable		449	1.203	449	1.203
Short-term borrowings	8	5.597	0	5.460	0
Other payables	7	1.252	723	1.240	723
		52.153	27.131	42.942	27.131
Total Equity and Liabilities		135.861	106.753	125.479	106.753



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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	The Group					
	Share Capital	Share premium	Total reserves	Retained earnings	Profit of the absorbed Company Lamda Detergent for the December 2005	Grand total
Balance 01/01/2005	11.000	0	17.517	32	0	28.549
Net income for the period				1.537	0	1.537
Balance 31/3/2005	11.000	0	17.517	1.569	0	30.086
Balance 01/01/2006	11.725	901	24.758	767	695	38.846
Net income for the period				2.904		2.904
Balance 31/3/2006	11.725	901	24.758	3.671	695	41.750

	The Company					
	Share Capital	Share premium	Total reserves	Retained earnings	Profit of the absorbed Company Lamda Detergent for the December 2005	Grand total
Balance 01/01/2005	11.000	0	17.517	32	0	28.549
Net income for the period				1.537	0	1.537
Balance 31/3/2005	11.000	0	17.517	1.569	0	30.086
Balance 01/01/2006	11.725	901	24.758	767	695	38.846
Net income for the period				2.905		2.905
Balance 31/3/2006	11.725	901	24.758	3.672	695	41.751



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CASH FLOW STATEMENT

	Group		Company	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Cash flows from operating activities				
Net profit before taxes (and minority interests)	3.347	1.612	3.348	1.612
Net finance costs	565	312	564	312
Profit/Loss on valuation of investments	(4)	0	(4)	0
Profit/Loss on disposal of fixed assets	0	0	0	0
Depreciation and amortization	1.657	1.112	1.657	1.112
	5.565	3.036	5.565	3.036
Increase /(decrease) of inventories	(15.104)	(2.955)	(15.104)	(2.955)
Increase/(decrease) of receivables	(3.826)	(8.647)	(3.826)	(8.647)
Increase /(decrease) of liabilities	19.089	3.730	10.089	3.730
Increase provision for post-employment benefits	1	2	1	2
Cash flows (used in)/ from operating activities	5.725	(4.834)	(3.275)	(4.834)
Profit/Loss on valuation of investments	4	0	4	0
Interest paid	(623)	(108)	(622)	(108)
Income tax paid	(56)		(56)	0
Net cash flows (used in)/ from operating activities	5.050	4.942	(3.949)	4.942
Cash flows used in investing activities				
Purchase of intangible assets	(55)	0	(55)	0
Purchase of tangible assets	(523)	(1.262)	(523)	(1.262)
Participations	(10.493)	0	(2.000)	0
Purchases of short-term investments	71	0	71	0
Net cash flows used in investing activities	(11.000)	(1.262)	(2.507)	(1.262)
Cash flows from financing activities				
Proceeds of short-term borrowings	5.456	6.682	5.456	6.682
Finance lease payments	(44)	(672)	(44)	(672)
Net cash flows from financing activities	5.412	6.010	5.412	6.010
Net increase in cash and cash equivalents	(538)	(194)	(1.044)	(194)
Cash and cash equivalents in the beginning of period	2.044	447	2.044	447
Cash and cash equivalents at the end of the period	1.506	253	1.000	253



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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 65 people, while the Group employs 108 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 March 31st 2006 have been authorized for issue on May 2, 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 March 31, 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 quarter of 2006, having comparatives the respective statements of the first quarter 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%
Makro B	Βουλγαρία	Detergent	100%

1. Segmental analysis

Prime and secondary segments of analysis

On March 31, 2006 the Group's activities constitute one business segment, namely that of production of detergents and production and distribution of chemical raw materials. Therefore, the key interest in financial reporting is focused in the geographical segmentation of the Group's activity, where different financial backgrounds come with different risks and benefits.

The geographical segments of the Group operate mainly in three geographical regions which are administered from the Company's headquarters.

The main country of operations is Greece. All other regions of operations are mostly products selling locations. Group's sales are conducted primarily in countries of the European Union, South-eastern Europe and the Middle East.



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Financial results per segment for the three month periods ending on March 31, 2005 and March 31, 2006 are as follows:

<u>Quarter 1 2005</u>	Greece	Other Countries	Group Total
Third-party sales	15.161	1.654	16.815
Gross Profit			2.792
Other income for the period			62
Operating expenses (selling and administrative)			(786)
Operating Profit of segments			2.068
Finance costs			(455)
Profit before tax			1.613
Income tax expense			(76)
Profit after tax			1.537
Minority Interest			0
Profit, after taxes, attributable to the Group			1.537

<u>Quarter 1 2006</u>	Greece	Other Countries	Group Total
Third-party sales	14.433	6.299	20.732
Gross Profit			4.693
Other income for the period			33
Operating expenses (selling and administrative)			(818)
Operating Profit			3.908
Finance costs			(561)
Profit before tax			3.347
Income tax expense			(443)
Profit after tax			2.904
Minority Interest			0
Profit, after taxes, attributable to the Group			2.904



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2. Tangible Fixed Assets

Transactions 1st Quarter 2006 –The Group

	Total Fixed Assets
At cost or evaluation	
1.1.2006	89.157
Additions for the period	10.942
31.3.2006	100.099
Αποσβέσεις	
1.1.2006	(9.614)
Depreciation for the period	(1.640)
31.3.2006	(11.254)
Net book value	
31.3.2006	88.845

Transactions 1st Quarter 2006 –The Company

	Total Fixed Assets
At cost or evaluation	
1.1.2006	89.157
Additions for the period	523
31.3.2006	89.680
Depreciation	
1.1.2006	(9.614)
Depreciation for the period	(1.640)
31.3.2006	(11.254)
Net book value	
31.3.2006	78.426



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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. – 31.3. 2006

	<u>Total</u>
Net book value	160
Additions	1.323
Depreciation for the period	<u>(17)</u>
Net book value	1.466

The additions of the period include goodwill from the acquisition of MAKRO B amounting to €1.230. MAKRO B is headquartered in Sofia, Bulgaria, and its core activity is production of detergents in liquid and powder form. MAKRO B'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).

Goodwill comes up as follows:

	MAKRO B
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	<u>(1.173)</u>
Net assets at acquisition	9.270
Effective % acquired	100,00%
Net assets acquired	11.906
Cash paid	<u>10500</u>



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Goodwill	1.230
Cash paid	10.500
Cash acquired	7
Cash outflow at acquisition	10.493

4. Inventories

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

	The Group		The Company	
	31.3.2006	31.12.2005	31.3.2006	31.12.2005
Finished Goods	11.509	5.468	11.509	5.468
Raw and packaging materials	17.008	7.904	17.008	7.904
Merchandise	287	222	181	222
Advances for inventories	0	58	0	58
	28.804	13.652	28.698	13.652

5. Receivables

	The Group		The Company	
	31.3.2006	31.12.2005	31.3.2006	31.12.2005
Customers	13.088	10.652	13.012	10.652
Post-dated cheques	1.039	1.945	1.039	1.945
Notes receivables	66	79	66	79
Debtors	1.367	1.317	1.360	1.317
Other receivables	551	81	551	81
	16.111	14.074	16.028	14.074
Minus: impairment provisions	(1.006)	(2.936)	(1.006)	(2.936)
Total	15.105	11.138	15.022	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.



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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	
	31.3.2006	31.12.2005	31.3.2006	31.12.2005
Suppliers	44.580	24.576	35.519	24.576
Cheques payable	36	36	36	36
Notes payable	238	594	238	594
Other liabilities	1.253	723	1.240	723
Total	46.107	25.929	37.033	25.929

8. Loans

	The Group		The Company	
	31.3.2006	31.12.2005	31.3.2006	31.12.2005
Long – term loans				
Debentures	40.000	40.000	40.000	40.000
Finance lease liability	0	44	0	44
	40.000	40.044	40.000	40.044
Short – term loans				
Bank short - term loans	5.597	4	5.460	4
	5.597	4	5.460	4
Total loans	45.597	40.048	45.460	40.048

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



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Total	40.000
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The company's bond is free of charges. There are covenants (covenants) referring to the maintenance of specific financial figures and ratios for all the duration of the bond.

9. Income Taxes

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

	The Group		The Company	
	1 st Quarter 2006	1 st Quarter 2005	1 st Quarter 2006	1 st Quarter 2005
Current tax charge	356	21	356	21
Previous periods tax charges	25	0	25	0
Deferred tax charge	62	55	62	55
	443	76	443	76

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	
	1Q 2006	1Q 2005	1Q 2006	1Q 2005
Deferred tax receivables	101	77	101	77
Deferred tax liabilities	(1.892)	(715)	(720)	(715)
	(1.791)	(638)	(619)	(638)
	Group		Company	



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	1Q 2006	1Q 2005	1Q 2006	1Q 2005
Balance at the beginning of the period	(556)	(583)	(556)	(583)
Tax on results	(62)	(55)	(63)	(55)
Tax on equity (acquired company)	(1.173)	0	0	0
Balance at the end of the period	(1.791)	(638)	(619)	(638)

The kind of the temporary differences and the analytical transactions for the 1Q 2005 for the Group is as follows:

	Balance at the beginning of the period	Debits / Credits(-) on results	Debits / Credits(-) on equity	Balance at the end of the period
Readjustment of fixed assets (of the acquired company)	0	0	(1.173)	(1.173)
Financial depreciation	(680)	(52)	0	(732)
Write off of intangible assets	126	(10)		116
Personnel Indemnities	(2)			(2)
	(556)	(62)	(1.173)	(1.791)

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 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	
	1st Quarter 2006	1st Quarter 2005	1st Quarter 2006	1st Quarter 2005
Number of persons employed				
Salaried employees	93	39	50	39
Workers	15	7	15	7
Total	108	46	65	46



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Cost	543	318	543	318
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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.

Receivable balances of the company with its associates at March 31st, 2006 are €5.120 thousand and payable balances are €25.361 thousand at the end of the same period.

Account balances in consolidated level (after the erasure of intercompany transactions) at the end of the period January 1st to March 31st 2006 according to IFRS 24 does not exist.

The sales and purchase of goods and services of the company with its associates for the same period are € 7.743 and € 8.842 thousand respectively.

The amounts of purchases and sales in consolidated level (after the erasure of intercompany transactions) from the beginning of the year 2006 until March 31st with connected companies according to IFRS 24 are €7.743 and €8.842 thousand respectively and are related to building rents for the head office of the Company and its subsidiaries.

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 March 31, 2006 the Company has not formed any provision for receivables coming from related parties.

