

LAMDA Development: First Semester 2009 Financial Results

SIGNIFICANT INCREASE IN RECCURING PROFITABILITY

Group recurring EBITDA increased significantly to €21,6 million compared to €14,1 million last year, showing an increase of 53%. This growth is primarily attributed to the operation of Golden Hall and also to the improved operational performance of the existing malls "The Mall Athens" and "Mediterranean Cosmos" as well as to Flisvos Marina continuing profitability.

Our established shopping centers "**The Mall Athens**" and "**Mediterranean Cosmos**" had a noticeable increase in the number of visitors by 21% and 1% respectively. The on-going increase in customer traffic demonstrates the malls' recognition and sets the basis for continuing with further improved performance in the near future. Shopkeepers' turnover increased by 2,4% in Mediterranean Cosmos, whereas in "The Mall Athens" this figure registered a rather small decrease of 5,4%, deemed quite satisfactory given the prevailing economic slowdown, the significant decrease in consumer spending and the simultaneous operation of Golden Hall in the vicinity. Their success is not only owed to the fact that the specific shopping centers have become a reference point for the consumer public, but also to the global trend that proves that in times of economic recession, regional malls enjoy a greater advantage compared to the shops in main streets; consumers have the ability to more easily compare prices and enjoy the nearby availability of food and leisure spaces, whereas the shopkeepers have the advantage of lower rentals compared to high street rents.

The operation of our new Shopping and Business Center "**Golden Hall**" during the first half of the year has been quite satisfactory. "Golden Hall" opened its gates to the public on 28 November 2008 and is fully leased to well-established and renowned international and Greek brand names. It hosts 131 shops within the 41.000 GLA and also offers 1.400 underground parking spaces. The completion of the specific Shopping Center not only contributed to the increase in the Net Asset Value but has also started to affect positively the Group's Recurring EBITDA. During the first semester of 2009 shopkeepers' turnover reached €57,8 million, in-line with our initial forecasts. It should also be noted that shopkeepers' turnover in July was €16 million, reaching the equivalent figure for Mediterranean Cosmos, while customer traffic during the same month was 170% higher compared to the average traffic during the April 2009 – June 2009 period.

The aggregate increase in the recurring profitability of our **offices and Flisvos Marina** has reached 17%. Specifically for Flisvos Marina, the docking spots are fully leased and its land development is characterized by increased traffic, turning it into a destination point among the public.

Moreover, the **dividends and participations** revenue is higher by €1,4 million, mainly because of improved EFG Properties REIC performance and our strategic decision to continue increasing our investment in subject company. On 30/6/2009 the total shares that we owned amounted to 8.039.425 (a shareholding of 13,2% from 11,4% six months ago); our return from the additional investment amounts to 21%.

Finally, it should be stressed that **Group overheads** are 9% lower as a result of our on-going cost control efforts and we anticipate to further increase that percentage in the second semester.

The following table summarizes the Group's recurring profitability:

(amount in € mil.)	H1 2009	H1 2008	%
"The Mall Athens"	7,7	7,3	5,5%
"Mediterranean Cosmos"	7,6	6,9	10,1%
"Golden Hall"	4,0	0	-
Offices & Flisvos Marina	3,5	3,0	16,7%
Other Services – Dividends & Participations	3,9	2,5	56,0%
Overheads	-5,1	-5,6	-8,9%
Recurring EBITDA	21,6	14,1	53,2%

Consolidated net profit after tax and minority interest reached €0,2 million compared to €16,1 million in the first semester of 2008. This decrease is mainly attributed to the fact that in the first semester of 2008, fair value gains of €18,6 million were recognized, whereas fair value losses of €4,7 million were booked this year because of the unfavorable market conditions and the increase in cap rates.

Net Asset Value before Taxes reached €483 million (€11,8 per share) compared to €486 million on 31/12/2008. This small decrease is attributed to the change in the fair value of the Group's assets because of the market conditions, but on the same time it reflects the quality of our investment properties.

It must be underlined that, if we exclude the purchase of treasury shares which amounted to €6,7 million during the first semester of 2009, the Net Asset Value is €490 million compared to the €486 million figure at the end of 2008.

Summary of consolidated financial figures

(amount in € mil.)	H1 2009	H1 2008	%
Recurring EBITDA	21,6	14,1	53,2%
Fair value gains	-4,7	18,6	-
Other income – expense	-4,2	1,5	-
EBITDA	12,7	34,2	-62,9%
Net profit	0,2	16,1	-
NET ASSET VALUE	482,6	462,8	4,3%
Net Asset Value per share	€11,8	€11,3	

LAMDA Development **common stock** is trading at a significant discount compared to its Net Asset Value. More specifically, with a share price at €6 as of June 30, 2009 the discount is 49%.

The **net Loan to Value ratio** of the Group's investment portfolio was 40%, showing further improvement from the level of 46% in December 2008. It is important to stress that the Group has secured **significant liquidity** amounting to a cash figure of €241 million. This liquidity stems from both own funds and bank loans and has been built with the intention to finance the investment plan and potential investment opportunities that may arise in the near future as a result of the economic downturn.

Finally, LAMDA Development consolidated **Group Turnover** is comprised of the following segments:

(amount in € mil.)	H1 2009	H1 2008	%
Real Estate Lease Revenues	29,6	20,0	48,0%
Real Estate Sales	0	3,0	-
Other Real Estate Services	10,7	10,9	-1,8%
Total Turnover	40,3	33,9	18,9%

The 19% increase in turnover is mainly owed to the higher income generated from our investment properties.

The Group's major growth and strategic goals can be summarized as follows:

- Further improvement with a long-term perspective in recurring profitability.
- Continuous review of the Group's strategy towards the development pipeline in view of the recent market developments in our target area of interest.
- Pursue a strategy of new developments in Greece regarding commercial uses (malls, outlets, big boxes) as well as, in the long-run, high quality second home residential developments. The company will pursue its participation in Public Private Partnerships (PPPs).
- Further exploit international and local corporate strategic alliances and carefully exploit opportunities in new markets.

The summary of the financial figures of the first semester of 2009 will be published in the newspapers Ethnos and Naftemporiki on 28/08/2009 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.