LAMDA Development: First Quarter 2012 Financial Results

SOLID OPERATIONAL RESULTS – 99% OCCUPANCY

Following the trend from last year, Group Recurring EBITDA reached €11,4 million compared to €13,2 million in the first quarter of 2011, registering a manageable decrease of 13,6%, while operational profitability of our Shopping Centers posted a 12% decrease. **Net Profit for the first quarter of 2012 amounts to €3,4 million** compared to €5,6 million in the equivalent period last year because of the reduction in recurring profitability and the increase in net interest expense. These satisfactory results are mainly attributed to the continuing successful operational performance of our three shopping centers, despite the deep recession in the retail sector in Greece (sales drop is estimated between 20%-30%).

The favourable performance comparison of our shopping and entertainment centres to the rest of the retail market in Greece is attributed to the fact that they have overwhelmingly won the preference of the consumer public. Shopkeepers continue to have the advantage of lower rents compared to high streets and enjoy ample support via marketing, promotional and communication activities which procure satisfactory customer visits as evidenced by actual data. This success is also reflected in the **full occupancy** rate of our shopping centers as well as in the quality of services to customers.

More specifically, the operation of **"The Mall Athens"** has been quite satisfactory given that recurring profitability posted a decrease of 7,6% while shopkeepers' turnover decreased by 5%. It is very encouraging that the Shopping Center is fully leased and with a 4% increase in customer visits. Shopkeepers' turnover in **"Golden Hall"** for the same period decreased by 11%, a solid performance in relation to the relevant sectors of the total retail market, while recurring profitability dropped by 19%. It should be noted that customer visits posted a marginal increase of 1%. In **"Mediterranean Cosmos"**, in Thessaloniki shopkeepers' turnover also dropped by 8%, customer visits dropped by 4% only recurring profitability decreased by 13,5%. It should be noted that, following our undertaking of the full management of Mediterranean Cosmos in December 2010, various corrective actions and improvements are being successfully implemented in order to further improve the quality of the center and to fortify the product mix with strong brand names, such as ATTICA, INTERSPORT, H&M and APPLE, among others. In addition, the second phase of architectural and aesthetic improvement of Mediterranean Cosmos will soon be completed, an investment that reiterates our long-term commitment to support our Shopping Centers.

Flisvos Marina posted an operational loss of €0,1 mil. versus last year, mainly due to the economic recession, the increase in concession rent by 20% and the continuing yacht defects towards the nearby Agios Kosmas Marina that operates without paying rent to the Greek State.

Moreover, the **dividends and participations** revenue, practically unchanged versus last year, since dividend collected from **Eurobank Properties REIC** approximates €3,6 million, a result of its continuing strong performance. On 31/03/2012 the total number of shares owned amounted to 9.017.987 (a shareholding of 14,8% of Eurobank Properties, same as 31/12/2011).

Finally, it should be noted that **Group overheads** were 4,5% lower as a result of our on-going cost cutting effort. Over the last 3year period, overheads have been reduced by 20% approximately.

The following table summarizes the **Group's Recurring EBITDA**:

(amount in € mil.)	Q1 2012	Q1 2011	%
"The Mall Athens"	3,7	4,0	-7,5%
"Mediterranean Cosmos"	3,2	3,7	-13,5%
"Golden Hall"	1,7	2,1	-19,0%
Retail EBITDA	**8,6**	**9,8**	**-12,2%**
Offices & Flisvos Marina	0,5	1,1	-54,5%
Other Services – Dividends & Participations	4,4	4,5	-2,2%
Overheads	-2,1	-2,2	-4,5%
Recurring EBITDA	**11,4**	**13,2**	**-13,6%**

Consolidated Net Profit after tax and minority interest reached €3,4 million compared to €5,6 million net profit in the first quarter of 2011. The decrease is attributed to the drop in recurring profitability by €1,8 million, as well as to higher net interest expense by €0,9 million, due to higher loan interest rates.

Net Asset Value before Taxes reached €398 million (€9,7 per share) compared to €396 million on 31/12/2011, registering a marginal increase of 1%. (Compared to 31/03/2011, the decrease in NAV amounts to 13,8%). Net Asset Value stabilization is owed to net profitability.

Summary of consolidated financial figures

(amount in € mil.)	Q1 2012	Q1 2011	%
Recurring EBITDA	**11,4**	**13,2**	**-13,6%**
EBITDA	10,6	12,3	-13,8%
Net profit	3,4	5,6	-39,3%
NET ASSET VALUE	**398**	**462**	**-13,8%**
Net Asset Value per share	9,7	11,2	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €2,27 on May 11, 2012, **the discount** was 76% compared to a Net Asset Value per share of €9,7. It must also be noted that treasury shares represent 7,2% of total share capital with an average purchase price of €5,07.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 52%, practically unchanged versus last quarter. The Group still maintains **significant liquidity** that approximates **€117 million** with the intention to finance the development 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.)	Q1 2012	Q1 2011	%
Real Estate Leasing Revenues	18,3	18,7	-2,1%
Real Estate Sales	0,0	0,0	-
Other Real Estate Services	1,7	1,5	13,3%
Total Turnover	**20,0**	**20,2**	**-1,0%**

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

- Further support and improvement in recurring profitability with a long-term perspective.
- Prudent management of Group's liquidity, commercial and investment risks as well as continuous efforts for further decrease in overheads.
- Concentrate on our two major development projects in Belgrade.
- Further exploit and intensify international and local corporate strategic alliances. Review of new investments in Greece and South-eastern Europe in developments and acquisitions that relate to commercial uses (malls, outlets, big boxes).
- Continuous review of the Group's strategy towards new investments in view of the significant market and economic developments in our target area of interest.

The summary of the financial figures for the first quarter of 2012 will be published in the newspaper Xrimatistirio on 17/05/2012 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.