

LAMDA Development: Third Quarter 2013 Financial Results

OPERATING PROFITABILITY OF SHOPPING CENTERS IMPROVES

EBITDA of our three Shopping Centers posted an increase of 21% reaching €26,8 million, a positive performance which incorporates the benefit from the usufruct acquisition of Golden Hall from HRADF. **Group EBITDA** before fair value losses **reached €21,8 million** gains, almost unchanged compared to the equivalent period in 2012. It should be noted though that Group EBITDA including fair value losses is now in positive territory and amounts to €3,0 million.

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 benefit from 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 high levels of **economic occupancy** rates of our shopping centers (94%). **In the third quarter**, aggregate **shopkeepers' turnover** in our shopping centers was 4% higher compared to the equivalent period last year, a performance noticed for the first time after the beginning of the financial crisis.

More specifically, shopkeepers' turnover in **"Golden Hall"** for the first nine months of the year increased by 2%, while it is very encouraging that customer visits were also increased by 5%. The above indicators verify that after five years of operations, the Shopping Center has acquired a significant market share and equivalent penetration in the consumer public. In **"Mediterranean Cosmos"** in Thessaloniki, nine months shopkeepers' turnover increased by 2%, a metric quite encouraging, while customer visits dropped only by 4%. Also, in the first nine months of the year **"The Mall Athens"** posted a decrease in shopkeepers' turnover and customer visits by 7% and 3% respectively.

Flisvos Marina has been certainly affected by the economic recession and posted an operational loss of €0,2 mil., flat compared to the equivalent period last year, while office buildings had a positive contribution of €1,4 million to Group profitability, slightly decreased compared to the nine months of 2012. Moreover, the **dividends and participations** revenue decrease is mainly due to the **Eurobank Properties** dividend of €3,7 mil. that was included in last year's results, a minority participation that no longer exists.

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

(amount in € mil.)	9months 2013	9months 2012	%
"The Mall Athens"	8,8	9,1	-5%
"Mediterranean Cosmos"	8,9	9,9	-10%
"Golden Hall"	9,1	3,0	203%
Retail EBITDA	26,8	22,0	21%

Net Loss for the first nine months of 2013 amounts to €25,7 million compared to €54,5 million in 2012. Net loss is mainly attributed to €18,8 million fair value losses from our investment portfolio, albeit significantly reduced versus a year ago. In addition net loss is also attributed to the once-off accounting adjustment effect of €11,8 million that relates to deferred taxation triggered by the 6% increase in corporate tax rates from 20% to 26%.

Net Asset Value before Taxes reached €323,0 million (€7,9 per share) compared to €337 million on 31/12/2012, registering a small decrease of 4%.

Summary of consolidated financial figures

(amount in € mil.)	9months 2013	9months 2012	%
EBITDA before fair value losses	21,8	21,6	
Fair value losses	-18,8	-60,1	
EBITDA	3,0	-38,4	
Net loss	-25,7	-54,5	
NET ASSET VALUE	323,0	380,0	-15%
Net Asset Value per share	7,9	9,3	

LAMDA Development stock is still trading at a discount compared to its Net Asset Value. More specifically, with a share price of €5,02 on 01/11/2013 **the discount** was 36% compared to the Net Asset Value per share of €7,9. It must also be noted that treasury shares represent 7,9% of total share capital with an average purchase price of €4,85.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 59%, slightly increased versus 31/12/2012. The Group still maintains **liquidity** that approximates **€50 million**. Finally, LAMDA Development consolidated **Group Turnover** consists of the following segments:

(amount in € mil.)	9months 2013	9months 2012	%
Real Estate Leasing Revenues	46,5	53,3	
Real Estate Sales	0	0	
Other Real Estate Services	1,0	5,4	
Total Turnover	47,5	58,7	-19%

Recent developments:

Following the acquisition from the Hellenic Republic Asset Development Fund (HRADF) the 90 year right of use of the IBC building in February, LAMDA Development has expressed interest and successfully passed to the second phase of important tenders organized by the HRADF, namely, the development of the former airport in Hellinikon, the acquisition of the majority participation shareholding in Astir Palace Vouliagmeni SA, as well as the bidding process for first marinas cluster (with Alimos as the biggest). More specifically, for the Hellinikon and Astir Palace tenders, the bidding process is to be concluded at the end of November with the submission of binding offers, while both tenders have attracted a good number of foreign investor interests.

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.

- Develop the back part of the IBC building and complete the planning process in our two major development projects in Belgrade.
- Participation in the tenders organized by HRADF, namely for Hellinikon, Astir Palace Vouliagmeni and the Alimos marinas cluster that have a unique development and investment interest through the active strengthening of international and local corporate strategic alliances.

The summary of the financial figures for the first nine months of 2013 will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.