

## LAMDA Development: Third Quarter 2012 Financial Results

### PROFITABLE STATUS OF SHOPPING CENTERS CONTINUES WITH 98% OCCUPANCY AND NEW DEVELOPMENT OPPORTUNITIES

Following the trend from last period, Group EBITDA before fair value losses reached **€22,2 million** compared to €25,5 million in the first nine months of 2011, registering a manageable decrease of 13%, while operational profitability of our three Shopping Centers posted a slight decrease of 11% despite the deep recession in the retail sector in Greece.

**Net Loss for the first nine months of 2012 amounts to €18,8 million** compared to losses of €2,7 million in the equivalent period last year because of the increase in fair value losses of our investment portfolio by €16,6 million and the increase in net interest expense by €0,9 million, as a result of the increase in loan interest rates. The above mentioned net loss does not include the accounting impact of the €44 million cumulative impairment of our participation in Eurobank Properties as per IAS 39. The impairment was previously reflected in the group's equity account in the previous years for the same amount. It must be noted that on 21/08/2012 LAMDA Development sold to Fairfax Financial Holdings Limited its participation in Eurobank Properties a total of 9.017.987 shares at a selling price of €4,75, which represents a 12% premium compared to the previous day closing price. The profit from this transaction amounting to €8,3 million has been incorporated in the Company's results in Q3 2012.

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 12,2% while shopkeepers' turnover decreased by 10,6%. It is very encouraging that the Shopping Center is fully leased, while customer visits remain at last year level. Shopkeepers' turnover in **"Golden Hall"** for the same period decreased by 12%, while recurring profitability dropped by 27%. It should be noted that customer visits posted a marginal decrease of 3%. In **"Mediterranean Cosmos"**, in Thessaloniki shopkeepers' turnover dropped by 3,4%, customer visits dropped by 4% and recurring profitability posted a marginal decrease of 2,6%. 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 has been completed, an investment that reiterates our long-term commitment to support our Shopping Centers.

**Flisvos Marina**, despite the economic recession posted an operational profit of €0,4 mil while office buildings had a positive contribution of €1,5 million to Group profitability. 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.

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

<b>(amount in € mil.)</b>	<b>9months 2012</b>	<b>9months 2011</b>	<b>%</b>
"The Mall Athens"	10,1	11,4	-12,2%
"Mediterranean Cosmos"	10,9	11,2	-2,6%
"Golden Hall"	4,6	6,3	-27,0%
<b>Retail EBITDA</b>	<b>25,6</b>	<b>28,9</b>	<b>-11,0%</b>
<b>EBITDA before fair value losses</b>	<b>22,2</b>	<b>25,5</b>	<b>-13,0%</b>

**Net Asset Value** before Taxes reached €380,4 million (€9,3 per share) compared to €396 million on 31/12/2011, registering a marginal decrease of 4%. Net Asset Value decrease is attributed to fair value losses of our investment portfolio.

### Summary of consolidated financial figures

<b>(amount in € mil.)</b>	<b>9months 2012</b>	<b>9months 2011</b>	<b>%</b>
<b>Recurring EBITDA</b>	<b>26,8</b>	<b>31,2</b>	<b>-14,0%</b>
EBITDA	-2,3	17,7	
Net profit	-18,8	-2,7	
<b>NET ASSET VALUE</b>	<b>380,4</b>	<b>429,0</b>	
Net Asset Value per share	9,3	10,4	

**LAMDA Development stock** is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €3,23 on November 2, 2012, **the discount** was 65% compared to the Net Asset Value per share. 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 50%, practically unchanged versus 31/12/2011. The Group still maintains **significant liquidity** that approximates **€140 million**.

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

<b>(amount in € mil.)</b>	<b>9month 2012</b>	<b>9months 2011</b>	<b>%</b>
Real Estate Leasing Revenues	53,3	55,5	-4,0%
Real Estate Sales	0	0	
Other Real Estate Services	5,4	5,8	-6,9%
<b>Total Turnover</b>	<b>58,7</b>	<b>61,3</b>	<b>-4,2%</b>

## **Recent developments concerning new investments**

The most important development is that LAMDA Group has been declared by the Hellenic Republic Asset Development Fund as the successful bidder for the 90 year right of use of the IBC building. The consideration amounts to €81 million while the main goals are to further increase customer visits in Golden Hall and to commercially exploit the unused area of the building which will comprise, besides an Olympic Games museum, new retail and commercial uses.

Moreover, LAMDA Development has successfully passed to the second phase of two important tenders by the Hellenic Republic Asset Development Fund, the exploitation of the former airport in Elliniko and the development of the touristic resort in Afantou Rhodes, comprising of golf, hotel and residential developments.

### **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. Actively pursue appropriate development opportunities offered by the Hellenic Republic Asset Development Fund privatization process.
- Further exploit and intensify international and local corporate strategic alliances.

The summary of the financial figures for the first nine months of 2012 will be published in the newspaper Ethnos on 08/11/2012 and will be posted on the company's website [www.lamda-development.net](http://www.lamda-development.net)) and on the website of the Athens Exchange.