

LAMDA Development: Third Quarter 2011 Financial Results

SOLID OPERATIONAL RESULTS – 100% OCCUPANCY

Group Recurring EBITDA reached €31,2 million compared to €33,2 million in the first nine months of 2010, registering a slight decrease of 6%. **Net loss** for the period amounts to €2,7 million compared to €16,1 million in the equivalent last year period. This improvement derives from the reduction in fair value losses from our investment portfolio. 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%), as well as to the participations and dividends from our shareholding in Eurobank Properties.

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 "**Golden Hall**" has been quite satisfactory given that recurring profitability posted a marginal decrease of 1% while shopkeepers' turnover remained flat. Shopkeepers' turnover in "**The Mall Athens**" for the same period decreased by 9%, a solid performance in relation to the relevant sectors of the total retail market. In "**Mediterranean Cosmos**" in Thessaloniki shopkeepers' turnover also dropped by 9% only and customer visits remained at last year's level. 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.

Flisvos Marina posted a decrease of €1,8 mil. approximately in recurring profitability versus last year, mainly due to the economic recession and the recent intensive competition in berthing services from surrounding marinas. Flisvos Marina is still the only marina in Greece where approximately 50% of the 300 berths can be used by mega yachts with over 30 meters length. The on-land commercial development (retail shops and restaurants) enjoys full occupancy and continues to attract increased footfall that approximates 15.000 visitors per day during the weekend and has become a reference point among the public in the seaside part of Athens.

It should also be mentioned that the performance of our **office buildings** is quite satisfactory as they have managed to sustain average occupancy rate around 97%.

Moreover, the **dividends and participations** revenue is increased compared to last year because of the improvement in the figures of our subsidiary LAMDA Hellix as well as to the consolidation of the company that is in charge of the operation of our shopping center Mediterranean Cosmos. In addition dividend collected from **Eurobank Properties REIC** approximates €3,5 million, almost unchanged compared to last year period, an outcome of its continuing strong performance. On 30/09/2011 the total number of shares LAMDA Development owned amounted to 9.005.987 (a shareholding of 14,76%, same as last year).

Finally, it should be noted that **Group overheads** are 1,5% lower as a result of our on-going cost control policy.

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

(amount in € mil.)	9 months 2011	9 months 2010	%
"The Mall Athens"	11,4	11,5	-0,9%
"Mediterranean Cosmos"	11,2	11,5	-2,6%
"Golden Hall"	6,3	6,4	-1,5%
Offices & Flisvos Marina	3,1	5,5	-43,6%
Other Services – Dividends & Participations	6,1	5,3	15,1%
Overheads	-6,9	-7,0	1,43%
Recurring EBITDA	31,2	33,2	-6,0%

Consolidated Net Loss after tax and minority interest reached €2,7 million compared to €16,1 million in the first nine months of 2010. This improvement is attributed to the significant reduction in the fair value losses from our investment portfolio (€7,8 million in the first nine months of 2011 compared to €26,1 million in the equivalent last year period). It must also be stressed that net interest expense increased by €2,1 mil. due to higher interest rates, an element that was counterbalanced by the significant reduction in fair value losses that was mentioned above.

Net Asset Value before Taxes reached €429 million (€10,4 per share) compared to €448 million on 31/12/2010, registering a decrease of 4%. The decrease in the Net Asset Value is owed to the €17,6 million loss from the lower mark to market valuation of our shareholding in Eurobank Properties as well as to the net losses for the period.

Summary of consolidated financial figures

(amount in € mil.)	9 months 2011	9 months 2010	%
Recurring EBITDA	31,2	33,2	-6,0%
Fair value gains	-7,8	-26,1	70,1%
EBITDA	17,7	1,3	-
Net profit	-2,7	-16,1	83,2%
NET ASSET VALUE	429	461	
Net Asset Value per share	10,4	11,3	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €2,42 on November 21, 2011, **the discount** was 77% compared to a Net Asset Value per share of €10,4. It must also be noted that treasury shares represent 7% of total capital with an average purchase price of €5,15.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 49%, the same as on 31/12/2010. The Group still maintains **significant liquidity** that approximates **€136 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.)	9 months 2011	9 months 2010	%
Real Estate Leasing Revenues	55,5	56,3	-1,4%
Real Estate Sales	0	0,8	-
Other Real Estate Services	5,8	4,1	41,4%
Total Turnover	61,3	61,1	0,3%

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

- Further support and improvement with a long-term perspective in recurring profitability.
- Prudent management of Group's liquidity, commercial and investment risks as well as continuous efforts for further decrease in overheads.
- Intensify required actions to expedite detailed planning permissions and finalize business plan for 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 recent market and economic developments in our target area of interest.

The summary of the financial figures for the first nine months of 2011 will be published in the newspaper Eleytheros Typos on 24/11/2011 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.