

## LAMDA Development: Fiscal Year 2012 Financial Results

### PROFITABLE STATUS OF SHOPPING CENTERS CONTINUES. NET LOSS DUE TO FAIR VALUE LOSSES OF INVESTMENT PORTFOLIO

**Group EBITDA** before fair value losses **reached €24,2 million** compared to €30,6 million in 2011, a financial performance that is deemed quite satisfactory given the continuing deep recession status of the Greek economy. Recurring EBITDA of our three Shopping Centers posted a smaller decrease of 16% as it reached €31,9 million.

**Net Loss for 2012 amounts to €56,2 million** compared to losses of €28,6 million in 2011 because of the fair value losses of our investment portfolio by €71,0 million. The net loss does not include the restated accounting impact of the €35,7 million cumulative impairment of our participation in Eurobank Properties as per IAS 39 previously accounted for 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 of 9.017.987 shares at a selling price of €4,75 per share.

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 high levels of **occupancy** rates of our shopping centers.

More specifically, in "**Mediterranean Cosmos**", in Thessaloniki shopkeepers' turnover dropped only by 2,4%, customer visits dropped by 4% and recurring profitability posted a decrease of 8,2%. 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.

In relation to the overall market, the operational performance of "**The Mall Athens**" has been quite satisfactory given that despite the crisis, recurring profitability posted a decrease of 12,8% while shopkeepers' turnover decreased by 10,7%. It is very encouraging that the Shopping Center displays high occupancy rate while customer visits remain at last year level. Shopkeepers' turnover in "**Golden Hall**" for the same period decreased by 9%, while recurring profitability dropped by 36%. It should be noted that customer visits posted an increase of 1%.

**Flisvos Marina** has been certainly affected by the economic recession and posted recurring profitability of €0,4 mil while office buildings had a positive contribution of €1,9 million to Group profitability, approximately the same as last year. Moreover, the **dividends and participations** revenue, is practically unchanged versus last year; dividend collected from **Eurobank Properties REIC** reached €3,7 million.

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

<b>(amount in € mil.)</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
"The Mall Athens"	13,3	15,2	-12,8%
"Mediterranean Cosmos"	13,4	14,6	-8,2%
"Golden Hall"	5,2	8,2	-36,6%
<b>Retail EBITDA</b>	<b>31,9</b>	<b>38,0</b>	<b>-16,0%</b>

**Net Asset Value** before Taxes reached €337,1 million (€8,3 per share) compared to €396,1 million on 31/12/2011, registering a decrease of 14,9%. 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>2012</b>	<b>2011</b>	<b>%</b>
<b>EBITDA before fair value losses</b>	<b>24,2</b>	<b>30,6</b>	<b>-20,9%</b>
Fair value losses	-71,0	-37,7	
EBITDA	-46,8	-7,0	
Net loss	-56,2	-28,6	
<b>NET ASSET VALUE</b>	<b>337,1</b>	<b>396,1</b>	<b>-14,9%</b>
Net Asset Value per share	8,3	9,6	

**LAMDA Development stock** is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €4,46 on 26/03/2013, **the discount** was 46% compared to the Net Asset Value per share of €8,3. 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 53%, practically unchanged versus 31/12/2011. The Group still maintains adequate **liquidity** that approximates **€116 million**. Finally, LAMDA Development consolidated **Group Turnover** consists of the following segments:

<b>(amount in € mil.)</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Real Estate Leasing Revenues	70,4	74,0	-4,9%
Real Estate Sales	0	0	-
Other Real Estate Services	7,8	7,8	-
<b>Total Turnover</b>	<b>78,2</b>	<b>81,8</b>	<b>-4,4%</b>

### Recent developments concerning new investments and cooperation

The most important development for LAMDA Group is the acquisition from the Hellenic Republic Asset Development Fund the 90 year right of use of the IBC building. The contract was signed on February 5, 2013 and the total consideration of €81 million was paid on that day. 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 development of the former

airport in Elliniko and the development of the tourist resort residential in Afandou beach in Rhodes, comprised of golf, hotel and residential developments.

Finally, it must be noted that in December, LAMDA Development SA and D-Marine Investments Holding B.V., member of Dogus Group, established a strategic cooperation agreement that was initiated with a formation of a 50%-50% joint venture. Initial goal is to invest in touristic marina projects; nevertheless both companies expressed their intention to extend their cooperation to other projects in tourism and real estate.

**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.
- Monitor our two major development projects in Belgrade and actively pursue appropriate development opportunities in retail real estate and tourist resort opportunities, offered by the Hellenic Republic Asset Development Fund privatization process, while further pursuing international and local corporate strategic alliances.

The summary of the annual financial figures for 2012 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.