

LAMDA Development: First Quarter 2014 Financial Results

IMPROVEMENT IN PROFITABILITY OF SHOPPING CENTERS

SHOPKEEPER SALES INCREASES CONTINUE IN Q1 2014

Reaffirming the trend from the second half of last year, EBITDA of our three Shopping Centers posted an increase of 4% reaching €9,8 million. **EBITDA attributed to the Group reached €7,9 million** posting a small increase compared to the equivalent period last year.

SIGNS OF RECOVERY IN OUR RETAIL INDICATORS

The positive trend in the main retail indicators of our Shopping Centres in the second semester of 2013, continues even stronger in the first quarter of 2014. Aggregate shopkeepers' **turnover** in our three malls increased by **8%** in the first quarter of 2014 and **6%** in the second half of 2013. Total **customer visits** increased by **3%** and **1,5%** respectively. **Average occupancy** of our Shopping Centres' exceeds 98%, and demand for retail spaces is increasing.

The favourable performance of our Shopping Centres compared to the rest of the retail market in Greece proves the fact that they have overwhelmingly won the preference of the consumer public. Shopkeepers continue to enjoy ample support via marketing, promotional and communication activities which procure satisfactory customer visits as evidenced by actual data

Shopkeepers' turnover in "**Golden Hall**" was increased by 8%, while it is very encouraging that customer visits were also increased significantly by 12%. The above indicators verify that after five years of operations, Golden Hall has acquired a significant market share and loyalty by the consumer public. Operational profitability reached €3,4 mil., at last year's level. In "**Mediterranean Cosmos**" in Thessaloniki, shopkeepers' turnover increased by 7% and the Centre is almost fully occupied. Regarding "**The Mall Athens**", the above indicators continue to show strong performance as shopkeepers' turnover and customer visits were increased by 9% and 6% respectively.

FINANCIAL RESULTS ANALYSIS

Following IFRS standard 11 that is effective from 1/1/2014, our company is obliged to discontinue consolidating Joint Ventures by the proportional method and henceforth, Joint Ventures will be consolidated with the equity method. It must be stressed that, in the balance sheet, consolidation with the equity method does not have any effect on the Group Equity or Net Result after Taxes.

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

(amount in € mil.)	Q1 2014	Q1 2013	%
"The Mall Athens"	3,1	3,0	3%
"Mediterranean Cosmos"	3,3	3,0	10%
"Golden Hall"	3,4	3,4	-
Retail EBITDA	9,8	9,4	4%

Flisvos Marina posted an operational quarter loss of €0,1 mil., showing an improvement compared to the €0,3 mil loss in the equivalent period last year. It must be noted that an

increase in the demand for berthing spots has therefore led to the increase in occupancy. Office buildings had a positive contribution of €0,4 million (same as last year) to the quarterly Group profitability. Please note that the **dividends and participations** revenue decrease by €0,3 mil in Q1 2014 is attributed to the inclusion of €0,2 mil profit from LAMDA Hellix in the equivalent period last year. Subject participation was sold to the minority shareholder in the second quarter of 2013.

Net Consolidated Profit for the period amounts to €0,7 million compared to losses of €11,1 million in the first quarter of 2013. The difference is 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 €298 million (€7,3 per share) compared to €296 million on 31/12/2013, registering an increase of 1%. Moreover, overheads for another quarter are slightly reduced by 5% due to the on-going cost containment efforts.

Summary of consolidated financial figures

(amount in € mil.)	Q1 2014	Q1 2013	%
Pro – Forma EBITDA	7,9	7,7	2,6%
Taxes	-1,6	-13,8	
Net Profit (Loss)	0,7	-11,1	
	Q1 2014	Q1 2013	
NET ASSET VALUE	298	296	1%
Net Asset Value per share	7,3	7,3	

LAMDA Development stock is still trading at a discount compared to its Net Asset Value. Specifically, with a share price of €5,74 on 05/5/2014 the discount is 21%. Stock price return from the beginning of the year exceeds 18% with increased daily volume. 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% with the equity method and 61% had the proportional method been applied.

RECENT DEVELOPMENTS AND DECISIONS

- The Hellenic Republic Asset Development Fund, with the decision of its Board of Directors dated 31.03.2014, appointed Lamda Development as the preferred investor in its tender process for the acquisition of 100% of the share capital of "Hellinikon S.A.". The Investment, of an estimated cost of €7 billion, aims at the implementation of an Integrated Development Plan in the Metropolitan Pole of Hellinikon – Agios Kosmas and will include, among others, the construction of a metropolitan park of 2 million square meters, the development of residential zones, hotels, shops, malls, open cultural areas, museums, health and well-being centers and sport and leisure facilities, the creation of a business, education and research hub and the full upgrade of the current marina and coastal front.
- The Extraordinary General Meeting of the Shareholders of the Company, held on 29/4/2014, approved the increase of the share capital of the Company for an amount of up to €150 million by payment in cash with preemptive rights of the existing

shareholders and authorized the Board of Directors to determine the subscription price of the new shares. Funds will be used to strengthen the Company's capital structure and liquidity with the aim to complete existing projects (such as the undeveloped part of IBC), the participation in new private sector projects and / or privatization projects, as well as the improvement in working capital and finally, the participation in individual projects within Hellinikon master development.

The summary of the financial figures for the first quarter 2014 will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.