LAMDA Development: Fiscal Year 2011 Financial Results

SOLID OPERATIONAL RESULTS – 99% OCCUPANCY

Group Recurring EBITDA reached €38,2 million compared to €42,7 million in 2010, registering a manageable decrease of 10%, while operational profitability of our Shopping Centers posted a 4% marginal decrease. **Net loss for 2011 amounts to €28,6 million** compared to €29,1 million last year because of the 6,0% reduction in the value of 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%).

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 4% while shopkeepers' turnover decreased by 5%. 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, while recurring profitability dropped by 5% only. In **"Mediterranean Cosmos"**, in Thessaloniki shopkeepers' turnover also dropped by 9%, customer visits remained at last year's level and recurring profitability decreased by 4%. 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, H&M and APPLE. In addition, during the Easter period, the second phase of architectural and aesthetic improvement of Mediterranean Cosmos will be completed, an investment that reiterates our commitment to our Shopping Centers. It must also be stated that over the last years, our Group has proceeded with various targeted marketing & promotional activities and investments to upgrade the Shopping Centers, the launch of the credit card YES, the take-up of part of contractual increases in base rents and part of common charges in order to help shopkeepers during this difficult period.

Flisvos Marina posted a decrease of €2,2 mil. approximately in recurring profitability versus last year, mainly due to the economic recession and the continuing yacht defects towards the nearby Agios Kosmas Marina that operates without paying rent to the Greek State. 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) continues to attract impressive 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.

Moreover, the **dividends and participations** revenue, practically unchanged versus last year, can be deemed satisfactory because of the improvement in the figures of our subsidiary LAMDA Hellix as well as to the consolidation of the company that is managing our shopping center Mediterranean Cosmos. In addition dividend collected from **Eurobank Properties REIC** approximates €3,5 million, a result of its continuing strong performance. On 30/12/2011 the total number of shares owned amounted to 9.017.987 (a shareholding of 14,8% of Eurobank Properties, same as last year).

Finally, it should be noted that **Group overheads** were 4,6% lower as a result of our on-going cost cutting effort. Over the last 3year period, overheads have been reduced by 20% approximately.

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

(amount in € mil.)	2011	2010	%
"The Mall Athens"	15,2	16,0	-5,0%
"Mediterranean Cosmos"	14,6	15,2	-4,0%
"Golden Hall"	8,2	8,5	-4,0%
Retail EBITDA	**38,0**	**39,7**	**-4,0%**
Offices & Flisvos Marina	3,6	6,6	-45,4%
Other Services – Dividends & Participations	6,9	7,2	-4,2%
Overheads	-10,3	-10,8	-4,6%
Recurring EBITDA	**38,2**	**42,7**	**-10,5%**

Consolidated Net Loss after tax and minority interest reached €28,6 million compared to €29,1 million in 2010. Net loss is attributed to the fair value losses from our investment portfolio (€37,7 million in 2011) as well as to the annual net interest expense of €20,6 million, a figure increased by €2,8 million due to higher interest rates.

Net Asset Value before Taxes reached €396 million (€9,6 per share) compared to €448 million on 31/12/2010, registering a decrease of 12%. The decrease in the Net Asset Value is due to the €19,4 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 stemming from the valuation of our investment portfolio.

Summary of consolidated financial figures

(amount in € mil.)	2011	2010	%
Recurring EBITDA	**38,2**	**42,7**	**-10,5%**
Fair value gains	-37,7	-39,3	-4,0%
EBITDA	-7,0	-5,4	-29,6%
Net profit	-28,6	-29,1	1,7%
NET ASSET VALUE	**396**	**448**	**-12%**
Net Asset Value per share	9,6	10,9	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €2,49 on March 28, 2012, **the discount** was 74% compared to a Net Asset Value per share of €9,6. It must also be noted that treasury shares represent 7,2% of total share capital with an average purchase price of €5,06.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 51%, practically unchanged versus a year ago. The Group still maintains **significant liquidity** that approximates **€131 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.)	**2011**	**2010**	**%**
Real Estate Leasing Revenues	74,0	76,3	-3,0%
Real Estate Sales	0,0	0,8	-
Other Real Estate Services	7,8	5,5	41,8%
Total Turnover	**81,8**	**82,6**	**-1,0%**

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.
- 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 significant market and economic developments in our target area of interest.

The summary of the annual financial figures for 2011 will be published in the newspapers Eleytheros Typos and Xrimatistirio on 30/03/2012 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.