

LAMDA Development: First Quarter 2013 Financial Results

PROFITABLE STATUS OF SHOPPING CENTERS CONTINUES

EBITDA of our three Shopping Centers posted an increase of 20% reaching €9,4 million, a positive performance which incorporates the benefit from the absence of Golden Hall concession rent. **Group EBITDA** before fair value losses **reached €7,7 million** compared to €10,4 million in the equivalent quarter in 2012 due to the sale of our participation in Eurobank Properties that contributed €3,7 million as dividend payment.

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 (96%).

More specifically, in **"Mediterranean Cosmos"** in Thessaloniki, during the first four months shopkeepers' turnover dropped only by 6%, customer visits dropped by 7% while quarterly operational profitability posted a slight decrease of 3%. The EBITDA of **"The Mall Athens"** posted a decrease of 11% while in the first four months of the year shopkeepers' turnover and customer visits decreased by 16% and 7% respectively. It must be taken in to account that the Mall Athens figures have been negatively affected by the extensive strikes in public transportation in the first two months of the year given that visitors of the Center mainly use the train and the metro.

Shopkeepers' turnover in **"Golden Hall"** for the first four months of the year decreased slightly by 2%, while it is very encouraging that customer visits were increased by 5%, a trend that reiterates the perception that the Shopping Center has obtained a loyal customer base in the midst of the economic crisis. As far as the operational profitability is concerned, the increase is mainly attributed to the absence of concession rent paid to the State following the acquisition of the IBC usufruct right from HRADF.

Flisvos Marina has been certainly affected by the economic recession and posted an operational loss of €0,3 mil compared to €0,1 mil in the first quarter last year, while office buildings had a positive contribution of €0,5 million to Group profitability approximately same as the equivalent period last year. Moreover, the **dividends and participations** revenue decrease is mainly due to the **Eurobank Properties** dividend of €3,7 mil. that was included in last year's results.

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

(amount in € mil.)	Q1 2013	Q1 2012	%
"The Mall Athens"	3,0	3,4	-11,0%
"Mediterranean Cosmos"	3,0	3,1	-3,0%
"Golden Hall"	3,4	1,3	161,5%
Retail EBITDA	9,4	7,8	20,5%

Net Loss for the first quarter of 2013 amounts to €11,1 million compared to gains of €3,4 million in the first quarter of 2012. The net loss is owed to the once-off 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 €340,0 million (€8,3 per share) compared to €337 million on 31/12/2012, registering a small increase following the four-year long crisis.

Summary of consolidated financial figures

(amount in € mil.)	Q1 2013	Q1 2012	%
EBITDA before fair value losses	7,7	10,4	-26%
Fair value losses	-	-	
EBITDA	7,7	10,4	
Net loss	-11,1	3,4	
NET ASSET VALUE	340,0	337,0	1,0%
Net Asset Value per share	8,3	8,3	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €4,31 on 27/05/2013 **the discount** was 48% 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 57%, slightly increased versus 31/12/2012. The Group still maintains adequate **liquidity** that approximates **€60 million**, following the acquisition of IBC. Finally, LAMDA Development consolidated **Group Turnover** consists of the following segments:

(amount in € mil.)	Q1 2013	Q1 2012	%
Real Estate Leasing Revenues	17,1	18,3	-6,6%
Real Estate Sales	0	0	-
Other Real Estate Services	0,4	1,7	-76,5%
Total Turnover	17,4	20,0	-13,0%

Recent developments concerning new investments and joint ventures

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 expressed interest and successfully passed to the second phase of important tenders organized by the Hellenic Republic Asset Development Fund, namely the development of the former airport in Elliniko, the tourist resort development located in Paliouri – Chalkidiki and the sale of Astir Palace in Vouliagmeni.

Finally, it must be noted that following the agreement in December 2012 of a strategic cooperation between LAMDA Development SA and D-Marine Investments Holding B.V., member of Dogus Group, with initial goal to invest in touristic marina projects, a 50-50 joint

venture company has been established to which LAMDA Development contributed its shareholding in LAMDA Flisvos Holding while D-Marine paid in an amount in cash.

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.
- Development of the back part of the IBC building and complete the planning process in our two major development projects in Belgrade. 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 first quarter financial figures for 2013 will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.