

LAMDA Development: First Quarter 2009 Financial Results

INCREASE IN RECCURING PROFITABILITY

Net Asset Value before taxes (NAV) increased by 7% reaching €494,0 million (€11,9 per share) compared to €461,0 million (€11,1 per share) last year. This increase is deemed quite satisfactory and it reflects the quality of our investment portfolio, given the slowdown in the global economy in 2008 and the crisis in the real estate sector.

Group recurring EBITDA has increased significantly and it amounts to €12,8 million compared to €7 million last year, showing an increase of 83%. This growth is primarily attributed to the improved operational performance of the existing malls as a result of their increased acceptance by the consumer public. In addition, the increased profitability derives also from Golden Hall's positive contribution as well as to the Flisvos Marina continuing profitability. More precisely, for the "Mall Athens" and "Mediterranean Cosmos" the combined increase of recurring profitability reached 11,8%.

It must also be noted that the dividends and participations figure is higher by €2,3 million, mainly because of the higher dividend collected by EFG Properties that had an increased profitability. Furthermore, it is our company's strategic decision to further enhance and increase our investment in EFG Properties. On 31/3/2009 the total shares that we owned amounted to 7.865.432 (12,9% share, as opposed to 10,4% six months ago).

Our existing shopping centers "The Mall Athens" and "Mediterranean Cosmos" had a noticeable increase in customer visits by 22% and 1,2% respectively. The on-going increase in customer traffic demonstrates the malls' recognition and it is the basis for even better results in the near future. Shopkeepers' turnover increased 2,3% in Mediterranean Cosmos, whereas in "The Mall Athens" a decrease of 4% was noticed. This performance combined with the increase in recurring profitability of the two malls by 11,8% is deemed very satisfactory given the financial slowdown and the decrease in retail spending. The above mentioned malls have become a point of reference among the consumer public.

The operation of our new Shopping and Business Center "Golden Hall" during December, in the former IBC premises, can be characterized quite successful. "Golden Hall" opened its gates to the public on 28 November 2008 and is 100% leased to well-established and renowned international and Greek brand names. It hosts 131 shops within the 41.000 GLA and also offers 1.400 underground parking spaces. The completion of the specific Shopping Center not only contributed to the increase in the Net Asset Value in 2008 but has also started to affect positively the Group's Recurring EBITDA. During the first quarter of 2009 shopkeepers' turnover was €29,3 million (€50 million from inauguration till the end of March 2009). These figures are in-line with our initial forecasts.

The increase in Flisvos Marina profitability has reached 100% compared to the first quarter of 2008. The docking spots are fully leased and Marina's land development is characterized by increased traffic, turning it into a destination point among the public. Finally, it must also be noted that **Group overheads** are 16% lower as a result of our on-going cost control efforts.

(amount in € mil.)	Q1 2009	Q1 2008	%
"The Mall Athens"	4,2	3,7	13,5%
"Mediterranean Cosmos"	3,7	3,4	8,8%
"Golden Hall"	2,1	-	-
Offices	1,0	1,0	-
Flisvos Marina	0,8	0,4	100%
Other Services – Dividends & Participations	3,7	1,8	105,5%
Overheads	-2,7	-3,1	-16,1%
Recurring EBITDA	12,8	7,0	83%

Consolidated net profit after tax and minority interest reached €4,8 million compared to €11,2 million in the first quarter of 2008. This decrease is mainly attributed to the fact that in the first quarter of 2008, fair value gains of €13 million were booked, something that was not repeated this year because of the unfavorable market conditions.

Summary of consolidated financial figures

(amount in € mil.)	Q1 2009	Q1 2008	%
Recurring EBITDA	12,8	7,0	83%
Fair value gains	0	13	-
Other income – expense	-0,1	0,8	-
EBITDA	12,7	20,8	-38,9%
Net profit	4,8	11,2	-57,1%
NET ASSET VALUE	494	461	7%
Net Asset Value per share	€11,9	€11,1	

The net Loan to Value ratio of the Group's investment portfolio was 42%, further increased from the level of 46% in December 2008, a fact that implies the conservative approach of our company in the use of loans. The Group has secured increased liquidity of €240 million. This liquidity derives both from own funds as well as from loans to finance the investment 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.)	Q1 2009	Q1 2008	%
Real Estate Investment	14,1	10,0	41%
Real Estate Sales	0	1,0	-
Other Real Estate Services	5,4	5,3	1,8%
TOTAL	19,5	16,3	19,6%

The 19,6% increase in turnover is mainly owed to the higher income generated from our investment properties.

Our company's share price is still trading at a discount compared to its Net Asset Value. On 31/12/2008 the discount was 63% with a share price of €4,22 whereas the same discount applies to 31/3/2009 with a share price of €4,35.

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

- Further improvement in the operating performance of the existing developments.
- Review of the Group's strategy towards new developments in view of the recent market developments in our target area of interest.
- Pursue a strategy of new developments in Greece regarding commercial uses (malls, outlets, big boxes) as well as, in the long-run, high quality second home residential developments. The company will pursue its participation in Public Private Partnerships (PPPs).
- Further exploit international and local corporate strategic alliances and carefully exploit opportunities in new markets.

The summary of the financial figures of the first quarter of 2009 will be published in the newspapers Kerdos and Eleytheros Typos on 29/05/2009 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.