

LAMDA Development: Third Quarter 2009 Financial Results

SIGNIFICANT INCREASE IN RECURRING PROFITABILITY

Group Recurring EBITDA increased significantly to €31,2 million compared to €20,3 million last year, showing an increase of 54%. This increase is attributed to the improved operational performance of the existing malls "The Mall Athens" and "Mediterranean Cosmos", to the successful operations of Golden Hall since end of November 2008, as well as to Flisvos Marina continuing profitability. It is worth taking notice that the combined shopkeepers' turnover of the relatively closely located Golden Hall and The Mall Athens in the first nine months of 2009 was €309,5 million, an increase of 35% compared to the shopkeepers' turnover of The Mall Athens during the equivalent period last year.

"The Mall Athens" had a remarkable increase in the number of visitors by 13%, a very positive development that raises the stakes for the future. Despite the unfavourable economic environment and the approximately 20% drop in retail spending throughout the country "The Mall Athens" registered a rather small decrease in shopkeepers' turnover by 5,9%. This is very small if we also take into account the simultaneous start up operation of "Golden Hall" in the vicinity. The operational performance of **"Mediterranean Cosmos"** is also quite satisfactory given the increase by 1,1% in shopkeepers' turnover compared to the first nine months in 2008. This successful performance is owed to the fact that the specific shopping centers have become a destination point for the consumer public. Consumers have the ability to compare prices more easily and enjoy the convenience of the availability of food and leisure offerings, whereas shopkeepers have the advantage of lower rentals compared to high street rents.

The operation of our new Shopping Center **"Golden Hall"** during the first nine months of the year has been quite satisfactory. "Golden Hall" is fully leased to well-established and renowned international and Greek brand names. Despite the fact that there is no direct comparative data from last year as it opened its gates to the public on November 28, 2008, Golden Hall registered a shopkeepers' turnover of €93,5 million, in-line with our initial forecasts and quite satisfactory based on international criteria. The operation of Golden Hall not only contributed to the increase in the Net Asset Value but also contributes significantly to the Group's Recurring EBITDA.

Flisvos Marina recurring profitability has increased by 12%. In addition, the docking spots are fully leased while the on-land commercial development continues to attract increased footfall and has become a very popular destination point among the public in the seaside part of Athens.

Moreover, the **dividends and participations** revenue is higher by €1,7 million mainly because of the higher dividend collected from Eurobank Properties REIC, a result of its continuing strong performance and our strategic decision to continue increasing our investment in the subject company. On 30/9/2009 the total number of shares that we owned amounted to 8.220.338 (a shareholding of 13,48% versus 11,4% on 31/12/2008); our return from the additional investment reaches 30%.

Finally, it should be stressed that **Group overheads** are 14% lower as a result of our on-going cost control policy.

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

(amount in € mil.)	9months 2009	9months 2008	%
"The Mall Athens"	11,5	10,6	8,5%
"Mediterranean Cosmos"	11,4	10,2	11,8%
"Golden Hall"	5,7	0	-
Offices & Flisvos Marina	5,4	5,2	3,8%
Other Services – Dividends & Participations	4,6	2,9	58,6%
Overheads	-7,4	-8,6	-14,0%
Recurring EBITDA	31,2	20,3	53,7%

Consolidated Net Profit after tax and minority interest reached €1,5 million compared to €30,6 million in the third quarter of 2008. This decrease is mainly attributed to the fact that in the nine month period of 2008, fair value gains of €20,6 million were recognized, whereas fair value losses of €4,7 million have been booked in the nine month period of the current year because of the unfavorable market conditions and the increase in cap rates. Moreover, it must be noted that the 2008 results were positively affected by €13,3 million from the decrease in income tax rates announced last year that alter the deferred taxation.

Net Asset Value before Taxes reached €491,8 million (€12,0 per share) compared to €486 million on 31/12/2008. The increase in the Net Asset Value is even bigger if we take into consideration that we have expensed €7.3 million in our share buy-back program during the first nine months of 2009.

Summary of consolidated financial figures

(amount in € mil.)	9months 2009	9months 2008	%
Recurring EBITDA	31,2	20,3	53,7%
Fair value gains	-4,7	20,6	-
Other income – expense	-4,5	6,5	-
EBITDA	22,0	47,5	-53,7%
Net profit	1,5	30,6	-
NET ASSET VALUE	491,8	463,0	6,2%
Net Asset Value per share	€12,0	€11,3	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price at €7,16 as of September 30, 2009, the discount is 40% compared to a Net Asset Value per share of €12. It must also be noted that during the first nine months of 2009, our company bought 1.506.751 treasury shares and currently the treasury shares represent 7% of total capital with an average purchase price of €5,65.

The **Net Loan to Value Ratio** of the Group's investment portfolio was 43%, showing further improvement from the level of 46% in December 2008. It is important to stress that the Group has secured **significant liquidity** amounting to a cash figure of **€218 million**. This liquidity has been built with the intention 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.)	9 months 2009	9 months 2008	%
Real Estate Lease Revenues	47,6	31,6	50,6%
Real Estate Sales	0	3,4	-
Other Real Estate Services	12,6	13,8	-8,7%
Total Turnover	60,2	48,8	23,4%

The 23% increase in turnover is mainly due to the higher income generated from our investment properties.

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

- Further improvement with a long-term perspective in recurring profitability.
- Continuous review of the Group's strategy towards the development pipeline 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 third quarter of 2009 will be published in the newspapers Express and Vima on 19/11/2009 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.