

## LAMDA Development: Fiscal Year 2009 Financial Results

### SIGNIFICANT INCREASE IN RECURRING PROFITABILITY

**Group Recurring EBITDA** increased significantly to €41,8 million compared to €29,1 million last year, showing an increase of 44%. This increase is attributed to the improved operational performance of the existing malls "The Mall Athens" and "Mediterranean Cosmos", to the launch of operations of Golden Hall in November 2008, as well as to Flisvos Marina continuing profitability.

The successful operation of our shopping centres is mainly attributed to the fact that they have become a reference and destination point among the consumer public. Consumers have the ability to compare prices more easily and enjoy the convenience of the availability of food and leisure offerings as well as easy parking, whereas shopkeepers have the advantage of lower rentals compared to high street rents and enjoy major support in marketing, promotion and communication activities. As a result the commercial centers enjoy occupancy levels at 100%. It is worth taking notice that the combined shopkeepers' turnover of the relatively closely located Golden Hall and The Mall Athens in 2009 was €448 million, an increase of 35% compared to the shopkeepers' turnover of The Mall Athens during the previous year. This constitutes the proof that the trend is in favour of friendly and well organized big shopping centers facilities.

**"The Mall Athens"** had a remarkable increase in the number of visitors by 8%, reaching 12,7 million, a fact that supports our optimism for improved operational performance in the future. Despite the unfavourable economic environment and the significant drop in retail spending throughout the country "The Mall Athens" registered a rather small decrease in shopkeepers' turnover by approximately 6%. This drop is certainly small if we also take into account the drop in retail spending and the simultaneous start up operation of "Golden Hall" in the vicinity. The operational performance of **"Mediterranean Cosmos"** in Thessaloniki is also quite satisfactory given the flat change in shopkeepers' turnover compared to 2008 and the 8,3 million customer visits. The operation of our new Shopping Center **"Golden Hall"** during the first full year of operations 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 €136 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 to the Group's Recurring EBITDA.

**Flisvos Marina** recurring profitability has increased 9,5% versus last year. The existing berths are fully leased while in February 2010 the expansion of the marine infrastructure was successfully completed offering 50 new berthing facilities reaching a total of 300 berths. This additional capacity created shall naturally contribute to the increase in turnover and profitability starting from the current year. It is important to underline that about 50% of the 300 berths can be used by mega yachts with over 30 meters length, an advantage that only Flisvos Marina enjoys in Greece. The on-land commercial development continues to attract increased 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 is higher by €3 million mainly because of the higher dividend collected from Eurobank Properties REIC, a result of its continuing strong performance and our investment decision to continue increasing our

position in subject company. On 31/12/2009 the total number of shares LAMDA Development owned amounted to 8.455.037 (a shareholding of 13,9% versus 11,4% on 31/12/2008) and the **return from this additional investment reached 22%**.

Finally, it should be stressed that **Group overheads** are 10% lower as a result of our on-going cost control policy.

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

<b>(amount in € mil.)</b>	<b>2009</b>	<b>2008</b>	<b>%</b>
"The Mall Athens"	16,5	15,8	4,4%
"Mediterranean Cosmos"	15,4	14,1	9,2%
"Golden Hall"	7,5	1,0	-
Offices & Flisvos Marina	7,0	7,0	-
Other Services – Dividends & Participations	6,7	3,7	81,0%
Overheads	-11,3	-12,5	-9,6%
<b>Recurring EBITDA</b>	<b>41,8</b>	<b>29,1</b>	<b>43,6%</b>

**Consolidated Net Profit** after tax and minority interest reached €7,7 million compared to €60,1 million in 2008. This decrease is mainly attributed to the fact that in 2008, fair value gains of €50 million were recognized mainly because of the completion and launch of operations of Golden Hall, whereas the respective figure this year amounted to €13,8 million. For the first time in 2009 because of specific changes in the IFRS regulations, the chartered surveyors proceeded with the valuation of our land plots that are classified for investment purposes and do not involve residential development. Moreover, it must be noted that net results were negatively affected once off by the reinforcement campaign expenses of Golden Hall and other extraordinary expenses related to improving our property assets. It must also be taken into account that 2008 results were positively affected by €13,3 million from the decrease in income tax rates which reduced deferred taxes.

**Net Asset Value** before Taxes reached €502 million (€12,3 per share) compared to €486 million on 31/12/2008. The increase in the Net Asset Value can be deemed even bigger if we take into consideration that we expensed €8,1 million in our share buy-back program in 2009.

### Summary of consolidated financial figures

<b>(amount in € mil.)</b>	<b>2009</b>	<b>2008</b>	<b>%</b>
<b>Recurring EBITDA</b>	<b>41,8</b>	<b>29,1</b>	<b>43,6%</b>
Fair value gains	13,8	50,0	-72,4%
Other income – expense	-10,3	14,2	-
EBITDA	45,3	93,3	-51,4%
Net profit	7,7	60,1	-87,2%
<b>NET ASSET VALUE</b>	<b>502,0</b>	<b>486,0</b>	<b>3,3%</b>
Net Asset Value per share	€12,3	€11,5	

**LAMDA Development stock** is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €7,58 on December 31, 2009 **the discount** was 38% compared to a Net Asset Value per share of €12,3. It must also be noted that in 2009 our company purchased 1.590.728 own shares and hence treasury shares represent 7,3% of total capital with an average purchase price of €5,70.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 42%, showing further improvement from the level of 46% in December 2008. The Group has secured **significant liquidity** amounting to a cash figure of **€217 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.)	<b>2009</b>	<b>2008</b>	<b>%</b>
Real Estate Leasing Revenues	75,8	60,6	25,0%
Real Estate Sales	0,4	5,5	-92,7%
Other Real Estate Services	7,8	8,7	-10,3%
<b>Total Turnover</b>	<b>84,0</b>	<b>74,8</b>	<b>12,3%</b>

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

- Further improvement with a long-term perspective in recurring profitability.
- Intensify required actions to expedite detailed planning permissions and finalize business plan for our two major development projects in Belgrade, Serbia.
- New investments in Greece, in South-eastern Europe and Turkey in developments and acquisitions that relate to commercial uses (malls, outlets, big boxes). Continuous review of the Group's strategy and risks towards new investments in view of the recent market and economic developments in our target area of interest.
- Prudent management of Group's capital structure and liquidity.
- Further exploit international and local corporate strategic alliances.

The summary of the financial figures of 2009 will be published in the newspapers Kathimerini and Xrimatistirio on 24/03/2010 and will be posted on the company's website ([www.lamda-development.net](http://www.lamda-development.net)) and on the website of the Athens Exchange.