

LAMDA Development: First Semester 2010 Financial Results

INCREASE IN RECURRING EBITDA by 5%

Group Recurring EBITDA reached €22,7 million compared to €21,6 million in the first semester of 2009, showing an increase of 5%. This increase is attributed to the stabilization of the operational performance of our malls "The Mall Athens" and "Mediterranean Cosmos", to the improved profitability of "Golden Hall" despite the unfavorable economic environment, and the increase in dividends and participations derived from our shareholding in Eurobank Properties.

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. It has become apparent that the trend is in favor of friendly and well organized big shopping center facilities. Shopkeepers have the advantage of lower rents 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% and customer traffic allows us to be optimistic for their prospects despite the crisis.

In "**The Mall Athens**" the recurring profitability remained flat. Despite the unfavourable economic environment and the significant drop in retail spending throughout the country, shopkeepers' turnover in "The Mall Athens" decreased by 9%. The operational performance of "**Mediterranean Cosmos**" in Thessaloniki is also quite satisfactory given the decrease in shopkeepers' turnover by 7% compared to H1 2009 and the 4 million customer visits, a marginal drop of 1%. In addition, recurring EBITDA was unchanged versus last year. The operation of "**Golden Hall**" has been quite satisfactory. "Golden Hall" is fully leased to well-established and renowned international and Greek brand names. Recurring profitability increased by 5%, while shopkeepers' turnover posted a remarkable increase of 10%.

Flisvos Marina recurring profitability has increased by 10% versus last year. The existing berths are fully leased while the completion of the marine infrastructure expansion, an investment of approximately €5 million, offered 50 new berthing facilities, reaching a total of 300 berths. This additional capacity shall naturally contribute to the increase in turnover and profitability in the near future. 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 €0,5 million mainly because of the higher dividend collected from Eurobank Properties REIC, a result of its continuing strong performance and our investment decision to increase our position in subject company. On 30/06/2010 the total number of shares LAMDA Development owned amounted to 9.000.987 (a shareholding of 14,8% versus 13,2% on 30/06/2009).

Finally, it should be noted that **Group overheads** are 6% lower as a result of our on-going cost control policy, a goal that is of vital importance to us.

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

(amount in € mil.)	H1 2010	H1 2009	%
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"The Mall Athens"	7,7	7,7	-
"Mediterranean Cosmos"	7,6	7,6	-
"Golden Hall"	4,2	4,0	5,0%
Offices & Flisvos Marina	3,6	3,5	2,9%
Other Services – Dividends & Participations	4,4	3,9	12,8%
Overheads	-4,8	-5,1	5,9%
Recurring EBITDA	22,7	21,6	5,0%

Consolidated Net Profit after tax and minority interest recorded losses of €16,3 million compared to €0,2 million gains in the first semester of 2009. The negative results are mainly attributed to the recognition of fair value losses of €26,1 million (compared to €4,7 million in H1 2009), due to the overall increase in capitalization rates by 25 basis points, signified by the unfavorable economic environment. On the contrary, savings in net interest expense by €1 million due to lower interest rates, had a positive effect.

Net Asset Value before Taxes reached €456 million (€11,2 per share) compared to €502 million on 31/12/2009. The decrease in the Net Asset Value is owed to a lower valuation of our shareholding in Eurobank Properties by €23,5 million as well as to fair value losses of our investment portfolio that turned our net result negative.

Summary of consolidated financial figures

(amount in € mil.)	H1 2010	H1 2009	%
Recurring EBITDA	22,7	21,6	5%
Fair value gains	-26,1	-4,7	
Other income – expense	-2,7	-4,2	
EBITDA	-6,1	12,7	
Net profit	-16,3	0,2	
NET ASSET VALUE	456	502	-9%
Net Asset Value per share	11,2	12,3	

LAMDA Development stock is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €3,76 on August 23, 2010 **the discount** was 66% compared to a Net Asset Value per share of €11,2. It must also be noted that treasury shares represent 7,5% of total capital with an average purchase price of €5,67.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 44%. The Group has secured **significant liquidity** that exceeds **€200 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.)	H1 2010	H1 2009	%
Real Estate Leasing Revenues	30,1	29,6	1,7%
Real Estate Sales	0,0	0,0	-
Other Real Estate Services	10,3	10,7	-3,7%

Total Turnover	40,4	40,3	0,2%
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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 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 the first semester 2010 will be published in the newspaper Naftemporiki on 27/08/2010 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.