

LAMDA Development: Fiscal Year 2010 Financial Results

INCREASE IN RECURRING EBITDA by 2% and 100% occupancy

Group Recurring EBITDA reached €42,7 million compared to €41,8 million in 2009, registering an increase of 2%. Net profit for the period, excluding fair value losses and extraordinary income tax amounts to €5,3 million. This increase is attributed to the stabilized operational performance of "The Mall Athens" and "Mediterranean Cosmos", the improved profitability of "Golden Hall" and the increase in participations and dividends derived from our shareholding in Eurobank Properties.

The continuing successful operation of our shopping centres and the favourable comparison to the rest of the retail market in Greece, despite the economic crisis, is very encouraging to us. This can mainly be attributed to the fact that they have become a reference and meeting point for the consumer public, while offering an ideal environment to shopkeepers. These established and widely accepted advantages are becoming especially profound in the current economic recessionary environment that has depressed retail spending throughout the country. Shopkeepers have the advantage of much lower rents compared to high street and enjoy major support by marketing, promotion and communication activities, quite necessary to secure satisfactory customer visits as evidenced by recent data. This success is also reflected in the full occupancy rate of our shopping centers as well as in the fact that contractual rental levels have been maintained without cutbacks.

The operation of "**Golden Hall**" has been quite satisfactory given that recurring profitability increased by 13% while shopkeepers' turnover posted an increase of 2,5% and customer visits by 25%. Shopkeepers' turnover in "**The Mall Athens**" decreased by 10%, significantly lower than the total market, while total customer visits reached 11,9 mil, lower by 6%. The operational performance of "**Mediterranean Cosmos**" in Thessaloniki is also quite satisfactory given the decrease in shopkeepers' turnover by 9% compared to 2009, while customer visits reached 8,3 million, same as last year.

Flisvos Marina recurring profitability decreased by 5% versus last year. 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 is planned to contribute to the increase in turnover and profitability in the 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 (retail shops and restaurants) 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**, an outcome of its continuing strong performance and our investment decision last year to increase our position in subject company. On 31/12/2010 the total number of shares LAMDA Development owned amounted to 9.005.987 (a shareholding of 14,76% versus 13,86% on 31/12/2010).

Finally, it should be noted that **Group overheads** are 4,4% lower as a result of our on-going cost control policy.

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

(amount in € mil.)	2010	2009	%
"The Mall Athens"	16,0	16,5	-3,0%
"Mediterranean Cosmos"	15,2	15,4	-1,3%
"Golden Hall"	8,5	7,5	13,3%
Offices & Flisvos Marina	6,6	7,0	-5,7%
Other Services – Dividends & Participations	7,2	6,7	7,5%
Overheads	-10,8	-11,3	-4,4%
Recurring EBITDA	42,7	41,8	2,1%

Consolidated Net Profit after tax and minority interest recorded losses of €29,1 million compared to €7,7 million gains in 2009. The negative results are mainly attributed to the recognition of fair value losses of €39,3 million (compared to €13,8 million fair value gains in 2009) from the **valuation of our investment portfolio at fair market values** due to the across the board increase in capitalization rates. This development could have been far worse if it was not contained due to our shopping centers' undisputed acceptance and hence their continuing positive prospects and profitability. Finally, the extraordinary income tax had a negative impact of €2,6 million to the Group results.

Net Asset Value before Taxes reached €448 million (€11,0 per share) compared to €502 million on 31/12/2009. The decrease in the Net Asset Value, as mentioned above, is owed to fair value losses of our investment portfolio as well as to a lower mark to market valuation of our shareholding in Eurobank Properties by €19,8 million.

Summary of consolidated financial figures

(amount in € mil.)	2010	2009	%
Recurring EBITDA	42,7	41,8	2,1%
Fair value gains	-39,3	13,8	-
Other income – expense	-8,8	-10,3	-14,6%
EBITDA	-5,4	45,3	-
Net profit	-29,1	7,7	-
NET ASSET VALUE	448,4	502,0	-10%
Net Asset Value per share	11,0	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 €3,90 on March 21, 2011, **the discount** was 65% compared to a Net Asset Value per share of €11,0. It must also be noted that treasury shares represent 6,8% of total capital with an average purchase price of €5,23.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 49%. The Group has secured **significant liquidity** that exceeds **€150 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.)	2010	2009	%
Real Estate Leasing Revenues	76,3	75,8	0,6%
Real Estate Sales	0,8	0,4	100,0%
Other Real Estate Services	5,5	7,8	-29,5%
Total Turnover	82,6	84,0	-1,7%

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

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

The summary of the financial figures for 2010 will be published in the newspapers Kathimerini and Imerisia on 24/03/2011 and will be posted on the company's website (www.lamda-development.net) and on the website of the Athens Exchange.