

## LAMDA Development: First Semester 2013 Financial Results

### PROFITABLE STATUS OF SHOPPING CENTERS CONTINUES

EBITDA of our three Shopping Centers posted an increase of 16% reaching €17,7 million, a positive performance which incorporates the benefit from the usufruct acquisition of Golden Hall from HRADF. **Group EBITDA** before fair value losses **reached €14,6 million** gains compared to €15,8 million in the equivalent period in 2012, registering a slight decrease.

The favourable performance comparison of our shopping and entertainment centres to the rest of the retail market in Greece is attributed to the fact that they have overwhelmingly won the preference of the consumer public. Shopkeepers continue to have the advantage of lower rents compared to high streets and enjoy ample support via marketing, promotional and communication activities which procure satisfactory customer visits as evidenced by actual data. This success is also reflected in the high levels of **occupancy** rates of our shopping centers (94%).

More specifically, in **"Mediterranean Cosmos"** in Thessaloniki, during the first half of 2013 shopkeepers' turnover dropped only by 1%, customer visits dropped by 7% while operational profitability posted a decrease of 13%. The EBITDA of **"The Mall Athens"** posted a decrease of 10% while in the first four months of the year shopkeepers' turnover and customer visits decreased by 9% and 3% respectively. Shopkeepers' turnover in **"Golden Hall"** for the first six months of the year increased slightly by 1%, while it is very encouraging that customer visits were increased by 3%. Furthermore, it is worth noting that since May both tenants' sales and customer visits are on positive grounds for all three shopping centres.

**Flisvos Marina** has been certainly affected by the economic recession and posted an operational loss of €0,2 mil compared to €0,4 mil in the first semester last year, while office buildings had a positive contribution of €0,9 million to Group profitability slightly decreased compared to the equivalent period last year. Moreover, the **dividends and participations** revenue decrease is mainly due to the **Eurobank Properties** dividend of €3,7 mil. that was included in last year's results, a minority participation that no longer exists.

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

(amount in € mil.)	H1 2013	H1 2012	%
"The Mall Athens"	5,7	6,3	-10%
"Mediterranean Cosmos"	5,8	6,7	-13%
"Golden Hall"	6,2	2,3	169%
<b>Retail EBITDA</b>	<b>17,7</b>	<b>15,3</b>	<b>16%</b>

**Net Loss for the first six months of 2013 amounts to €25,7 million** compared to €62,3 million in the first semester of 2012. Net loss is mainly attributed to fair value losses from our investment portfolio, albeit significantly reduced versus a year ago. In addition net loss is also owed to the once-off adjustment effect of €11,8 million that relates to deferred taxation triggered by the 6% increase in corporate tax rates (from 20% to 26%).

**Net Asset Value** before Taxes reached €321,0 million (€7,9 per share) compared to €337 million on 31/12/2012, registering a small decrease of 5%.

### Summary of consolidated financial figures

(amount in € mil.)	H1 2013	H1 2012	%
<b>EBITDA before fair value losses</b>	<b>14,6</b>	<b>15,8</b>	
Fair value losses	-18,8	-68,4	
EBITDA	-4,2	-52,6	
Net loss	-25,7	-62,3	
<b>NET ASSET VALUE</b>	<b>321,0</b>	<b>337,0</b>	<b>-5%</b>
Net Asset Value per share	7,9	8,3	

**LAMDA Development stock** is still trading at a significant discount compared to its Net Asset Value. More specifically, with a share price of €3,98 on 27/08/2013 **the discount** was 49% compared to the Net Asset Value per share of €7,9. It must also be noted that treasury shares represent 7,9% of total share capital with an average purchase price of €4,85.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio was 58%, slightly increased versus 31/12/2012. The Group still maintains adequate **liquidity** that approximates **€55 million**. Finally, LAMDA Development consolidated **Group Turnover** consists of the following segments:

(amount in € mil.)	H1 2013	H1 2012	%
Real Estate Leasing Revenues	31,1	36,1	-13,9%
Real Estate Sales	0,0	0,0	-
Other Real Estate Services	0,7	3,7	-
<b>Total Turnover</b>	<b>31,9</b>	<b>39,8</b>	<b>-19,8%</b>

### Recent developments concerning new investments and joint ventures

The most important development for LAMDA Group is the acquisition from the Hellenic Republic Asset Development Fund the 90 year right of use of the IBC building. The contract was signed on February 5, 2013 and the total consideration of €81 million was paid on that day. The main goals are to further increase customer visits in Golden Hall and to commercially exploit the unused area of the building which will comprise, besides an Olympic Games museum, new retail and commercial uses.

Moreover, LAMDA Development has expressed interest and successfully passed to the second phase of important tenders organized by the Hellenic Republic Asset Development Fund, namely the development of the former airport in Elliniko, the land plot located in Agios Ioannis – Sithonia Chalkidiki, the bidding process for Alimos cluster marinas and the sale of Astir Palace in Vouliagmeni.

Finally, it must be noted that following the agreement in December 2012 of a strategic cooperation between LAMDA Development SA and D-Marine Investments Holding B.V., member of Dogus Group, with initial goal to invest in touristic marina projects, a 50-50 joint venture company has been established to which LAMDA Development contributed its shareholding in LAMDA Flisvos Holding while D-Marine paid in an amount in cash.

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

- Further support and improvement in recurring profitability with a long-term perspective.
- Prudent management of Group's liquidity, commercial and investment risks as well as continuous efforts for further decrease in overheads.

- Development of the back part of the IBC building and complete the planning process in our two major development projects in Belgrade. Actively pursue appropriate development opportunities in retail real estate and tourist resort opportunities, offered by the Hellenic Republic Asset Development Fund privatization process, while further pursuing international and local corporate strategic alliances.

The summary of the first semester financial figures for 2013 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.