



# Annual Report 2013



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# Letter to Shareholders

Dear Shareholders,

**2013 was another very challenging year for LAMDA Development Group as we had to adopt appropriate strategies to deal with the effects of the unprecedented economic crisis in Greece. However, we are proud to point out that during the second half of the year, followed also by the 1st quarter of 2014, the first positive signs of growth prevailed in our shopping centres as evidenced by our established retail indicators.**

Indeed, we believe we have been successful in, safeguarding the superior performance of our shopping centres as compared to the market, pursuing new investment opportunities and participating in specific privatization tenders offered by the Hellenic Republic Asset Development Fund.

LAMDA Development continues to reaffirm its leading position in Real Estate Development in Greece by investing significant funds and by creating new jobs in the midst of the crisis and economic uncertainty:

- In November 2008 our third Shopping Center Golden Hall was inaugurated, an investment that surpassed €76 million. In February 2013 we invested an additional €81 million for the exploitation of the usufruct right of IBC Building for 90 years, the back part of which has remained undeveloped since 2004. This was the first big privatization tender, organized by HRADF. An additional €25 million will be invested for this development in the next two years. The investment will create more than 2,000 jobs.
- In December 2010, LAMDA Development acquired the remaining 40% ownership of Mediterranean Cosmos in Thessaloniki, and assumed at the same time full management of the shopping center, a total investment of €80 million.
- In Mediterranean Cosmos, an additional amount of €5 million has been invested for installations improvement and upgrade of the quality of services to the visitors.
- In Golden Hall, an additional amount of €6 million has been invested for marketing, promotional activities, support to our tenants and also for the further upgrade of the services provided to the consumers during the period of the financial crisis in Greece.

## **Performance in 2013**

In spite of the prolonged economic depression, 2013 performance can be deemed quite satisfactory compared to the overall market. EBITDA before the effect from fair value losses reached €25.6 million, an increase of 19% from the previous year on a like for like basis. In terms of retail EBITDA which is our core business, the increase was remarkable and reached 26%, a result which demonstrates the resilience of our shopping centers performance and their widespread acceptance by the consumer public.

Our shopping centers, The Mall Athens and Golden Hall in Athens and Mediterranean Cosmos in Thessaloniki, continue to gain market share and are accepted as very popular social destinations. Occupancy exceeds 98%, reflecting the satisfaction of existing tenants and also demands from new potential ones. We have placed great management effort in maintaining and promoting high visitor frequencies and procuring very supporting retail platforms for our tenants.



The first positive sign of a potential recovery is reflected in the increase in shopkeepers' aggregate turnover in our three malls. Specifically, in the second half of 2013 shopkeepers' turnover increased by 6%; this positive trend continued in the first quarter of current year 2014 as shopkeepers turnover increased by 8%. Annual aggregate shopkeeper sales in our three shopping centers exceeded €600 million, a performance that further strengthens our leading position in the retail real estate market in Greece.

For the record also note that our office buildings have managed to sustain their recurring profitability and have contributed €1.9 million to the EBITDA. On the cost side it should also be underlined that we managed to further decrease overheads by another 5% in 2013, continuing the significant cost containment that has taken place in the last 5 years.

On the negative side, albeit significantly reduced compared to 2012, revaluation losses in our property portfolio reached €43.4 million mainly due to higher cap rates. The property appraisers have positively accounted for the sustainability of EBITDA and our strong market leadership. Due to these valuation losses consolidated group net losses reached €48.6 million compared to a net loss of € 91.9 million in 2012. Consolidated Net Asset Value dropped by 12% to €296 million, or €7.3 NAV/share.

The group cash position amounted to €43 million at the end of the year. Consolidated total debt stands at €494 million, total interest rate cost approximates 4.1%, net loan to value ratio stands at 61% and major loans refinancing are scheduled to take place within 2014. Negotiations with banks are proceeding satisfactorily.

### **New Development Projects**

In February of 2013 we acquired the use for 90 years of the IBC building from the Hellenic Republic Asset Development Fund, the first privatization that has been successfully executed by the Fund. The acquisition shall not only add value via the exploitation of the unused part of the building where Golden Hall is located - adds 14,000 sq.m. for entertainment and commercial use and 7,000 sq.m. underground parking - but shall also have a positive impact on Golden Hall customer visits and consumption levels. These benefits, coupled with the savings from foregoing the annual rent payment, more than justify the €81 million price paid.

The most important development for the company and, perhaps for Greece, is the recent nomination by the Hellenic Republic Asset Management Fund of LAMDA Development as the Preferred Investor for the Hellinikon project. This was the successful outcome of a 27 month tender process that was consummated in March 2014 with the support of Latsis Group, Al Maabar from Abu Dhabi and the Chinese conglomerate Fosun Group.

Total investment, estimated at €7 billion, will transform the land into the largest privately funded investment ever executed in Greece. The Investment, aims at the implementation of an Integrated Development Plan in the Metropolitan pole of Hellinikon – Agios Kosmas and will include, among others, the construction of a metropolitan park of 2 million

square meters, the development of residential zones, hotels, shops, malls, open cultural areas, museums, health and well-being centers and sport and leisure facilities, the creation of a business, education and research hub and the full upgrade of the current marina and coastal front.

With regard to other new real estate development activity we remain cautious but optimistic and continue looking at appropriate opportunities in the retail real estate and resort residential sectors.

The company's common stock in the Athens Exchange continues to trade at a discount to NAV. Total treasury stock has reached 7.9% of total common stock at an average cost of €4.85/share.

### **Going Forward**

We are now at a turning point in LAMDA Development history as we have selected a challenging future with significant new project potential. In view of these developments, the Extraordinary General Meeting of the Shareholders of the Company, held on 29/4/2014, approved the increase of the share capital of the Company for an amount of up to €150 million by payment in cash with preemptive rights of the existing shareholders and authorized the Board of Directors to determine the subscription price of the new shares.

Funds to be raised will be used to strengthen the Company's capital structure and liquidity with the aim to complete existing projects (such as the undeveloped part of IBC), the participation in new private sector projects and / or privatization projects, as well as the improvement in working capital and, finally, the participation in individual projects within Hellinikon master development. The share capital increase will enable the company to reiterate and enhance its leading position in the real estate market in Greece.

We also remain confident, based on recent performance and actual results, that we shall continue to successfully manage our investment portfolio with all required amount of effort and problem solving involvement, capitalizing on our leading market position, the skills and experience we have accumulated and the good relationships we have built with the retail industry.

### **Dear Shareholders,**

We are optimistic that Greece shall overcome this long and severe economic crisis and we shall succeed in securing our company's leading competitive position in the region. Our main shareholder, Consolidated Lamda Holdings, has explicitly indicated its overwhelming support and this should make us feel very confident that we shall succeed in attaining our goals.

I would also like to take this opportunity to thank our employees for their hard work, commitment and enthusiastic support in sharing this common vision.

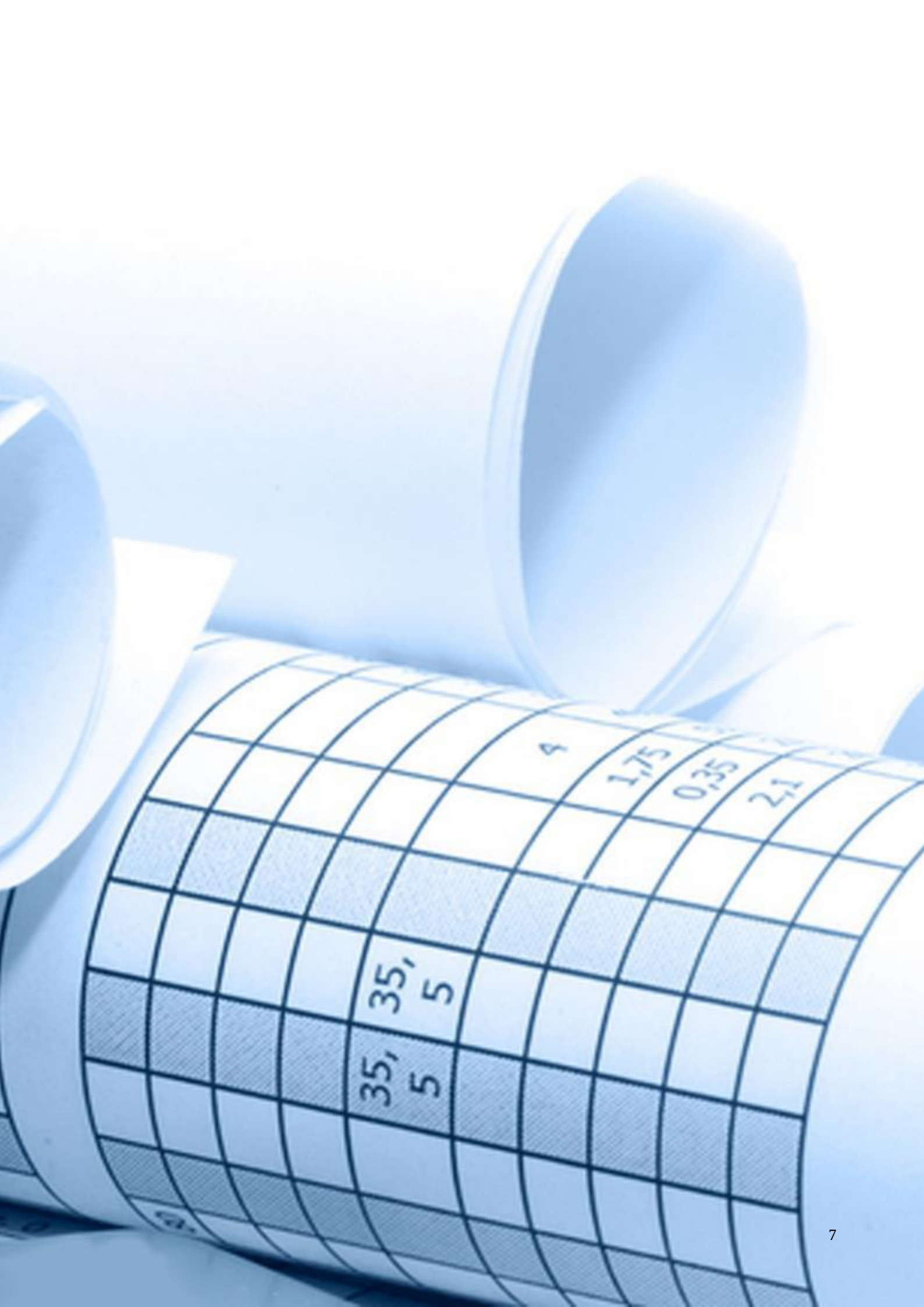
On behalf of the management and company employees, I want to thank you for the trust you have placed in us.

**Odiseas Athanassiou**  
**Chief Executive Officer**  
**LAMDA Development**

# Financial Performance

EBITDA of our three Shopping Centers posted a remarkable increase of 26% reaching €35.6 million. Group EBITDA in 2013 reached €25.6 million posting an annual increase of 19% on a like for like basis – excluding Hellinikon project expenses.

63	63	
404,6	389,65	-14,95
175	161,25	-13,75



35, 35,  
5 5

4

1,75

0,35

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The favourable performance of our Shopping Centres compared to the rest of the retail market in Greece proves the fact that they have overwhelmingly won the preference of the consumer public. Shopkeepers continue to enjoy ample support via marketing, promotional and communication activities which procure satisfactory customer visits as evidenced by actual data. Rents remain at contractual levels, including annual CPI and other adjustments, but we have taken up the majority of the common charges in order to provide temporary support to our tenants.

Shopkeepers' turnover in Golden Hall was increased by 5%, while it is very encouraging that customer visits were also increased by 6%. The above indicators verify that after five years of operations, the Shopping Center has acquired a significant market share and equivalent penetration in the consumer public. Operational profitability reached €12.4 million, contributing significantly in the improvement of the financial results at the consolidated level. In Mediterranean Cosmos in Thessaloniki, shopkeepers' turnover increased by 4%, a quite encouraging indicator. The Mall Athens posted a marginal decrease in shopkeepers' turnover and customer visits by 3% and 1% respectively, due to the extensive strikes in public transportation companies in the first quarter of the year.

Our office buildings also enjoy high occupancy levels and continue to have a positive contribution to the Group profitability by nearly €1.9 million.

Flisvos Marina posted an operational loss of €0.2 million, showing an improvement compared to the €0.8 million loss in the equivalent period last year. It must be noted that an increase in the demand for berthing spots has therefore led to the increase in occupancy levels. The marina enjoys the unparalleled competitive position in Greece to offer services to mega yachts for about half of the total berthing capacity. Furthermore, the very pleasant land commercial facilities attract an increasing number of visitors rendering the marina a very popular social destination point.

Furthermore, Group overheads were 5% lower as a result of our on-going cost cutting effort and our focus on expenses management.

<b>EBITDA from Properties</b> (€ million)	<b>2012</b>	<b>2013</b>
The Mall Athens	11.9	11.7
Mediterranean Cosmos	12.6	11.5
Golden Hall	3.8	12.4
Office Buildings	1.9	1.9
Flisvos Marina	-0.8	-0.2

Net Accounting Loss for 2013 amounts to €48.6 million compared to €91.9 million in 2012. Net loss is mainly attributed to €43.4 million fair value losses from our investment portfolio, albeit significantly reduced versus a year ago. In addition net loss is also attributed to the once-off accounting adjustment effect of €11.8 million that relates to deferred taxation triggered by the 6% increase in corporate tax rates from 20% to 26%. It is worth noted that Earnings Before Tax (excluding fair value losses effect) amounts to €3.9 million.

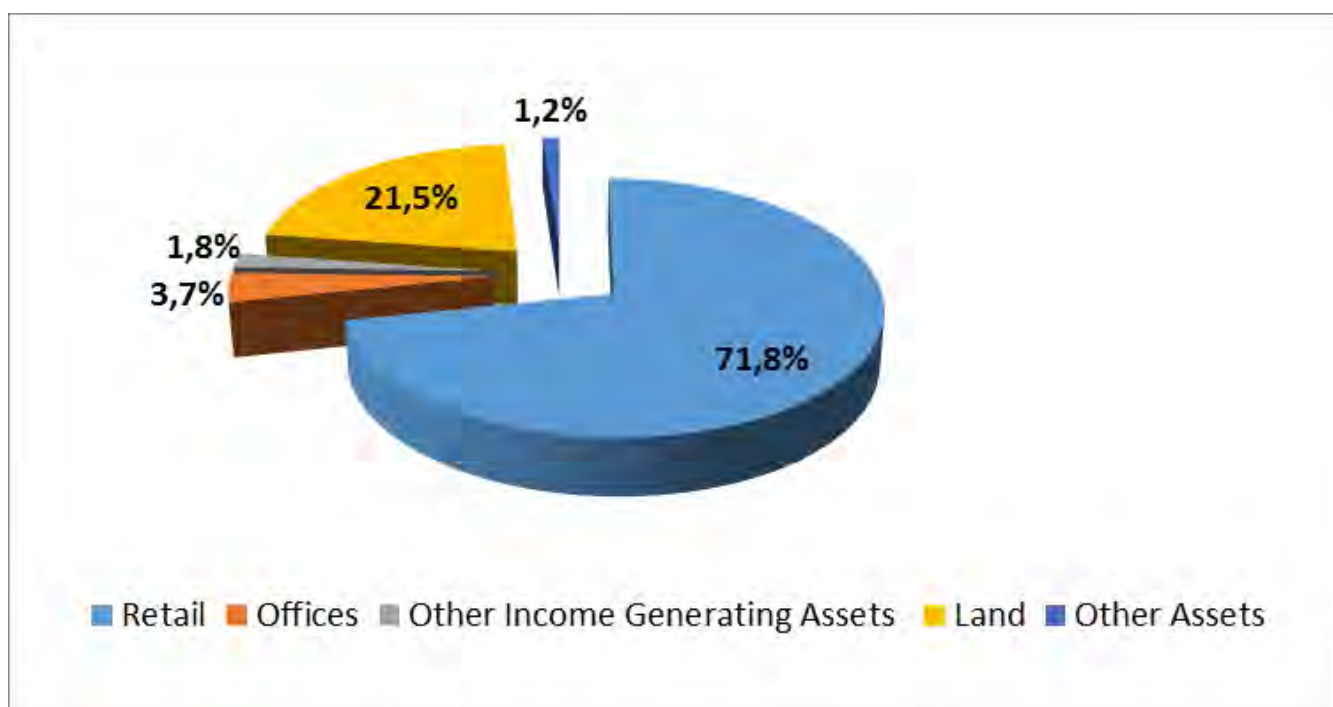
As mentioned above, revaluation losses in our investment portfolio reached €43.4 million. The total fair market value of our shopping centers and offices dropped further by 5.6% given further small increases in capitalization rates, a result of the sovereign cost of risk and the lack of ample investment interest for real estate transactions. The valuation of the Group's investment property at fair market value by the chartered surveyors Savills Hellas has an average net initial yield of 8.5% for the commercial centres and 9% for office buildings. The impact on valuations would have been larger if the property appraisers had not positively accounted for the sustainability of operational performance and our strong market leadership. Of course it must be noted, that the first stabilization signs indicate that drop in values should be not far from bottom out.

As a result, Net Asset Value dropped by 12% to €296 million, or €7.3 NAV/share.

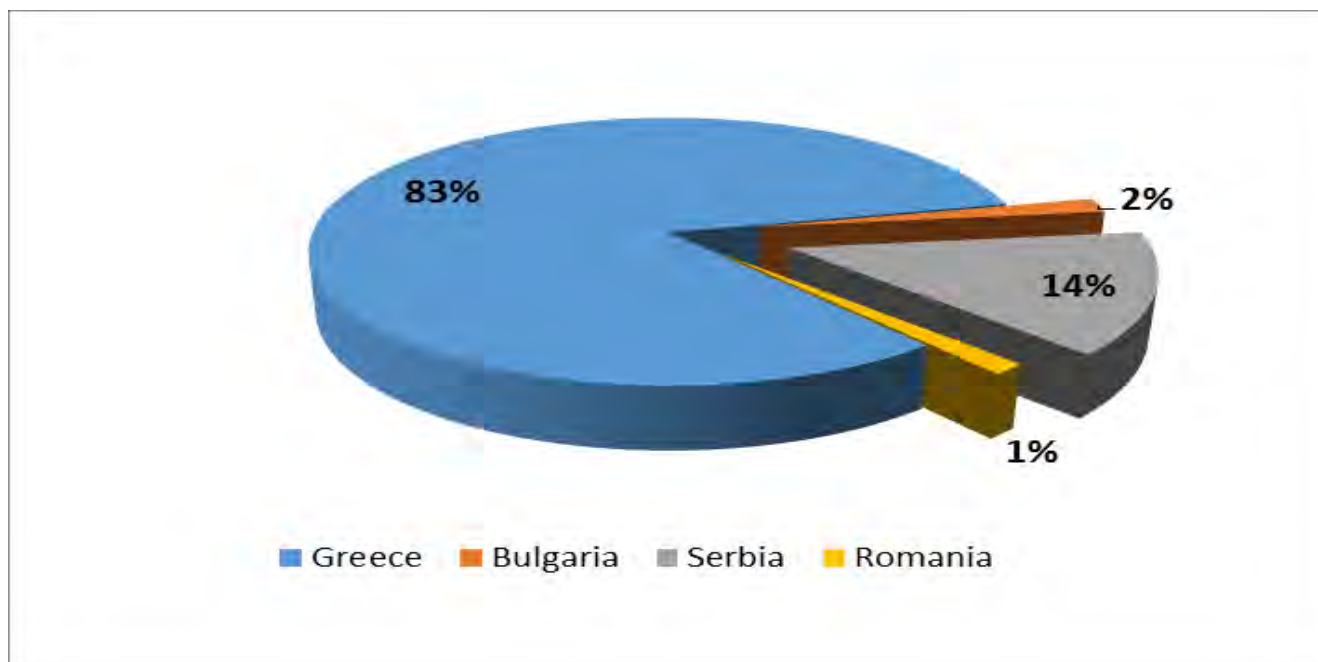
(in € million)	<u>Net Asset Value</u>			
	2010	2011	2012	2013
NAV	448	396.0	337.0	296.0
NAV per share	10.9	9.6	8.3	7.3
% change		-12%	-15%	-12%

Total investments in property approximated €739 million on 31st of December 2013. The allocation of property investments, per type of property and per geographical location is illustrated below.

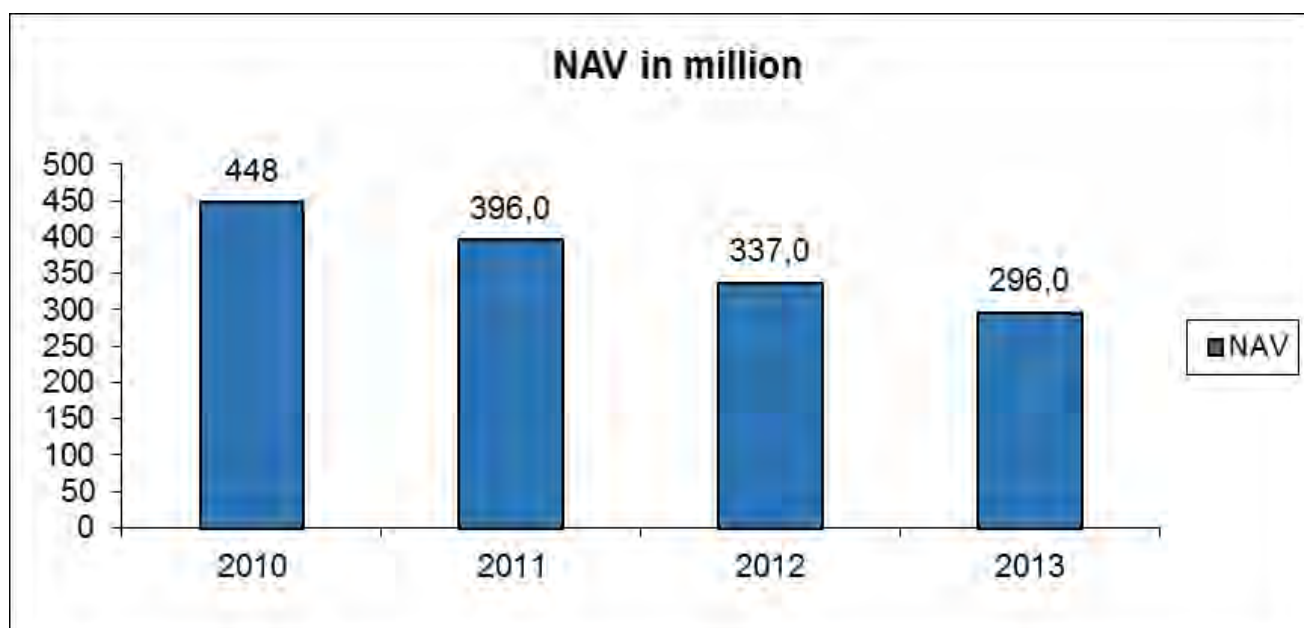
#### *Investment Portfolio per Sector*



### Investment Portfolio per Country



Net Loan to Value ratio stands at the level of 61%, slightly increased versus a year ago, whereas the Group maintains a cash position of €43 million approximately.

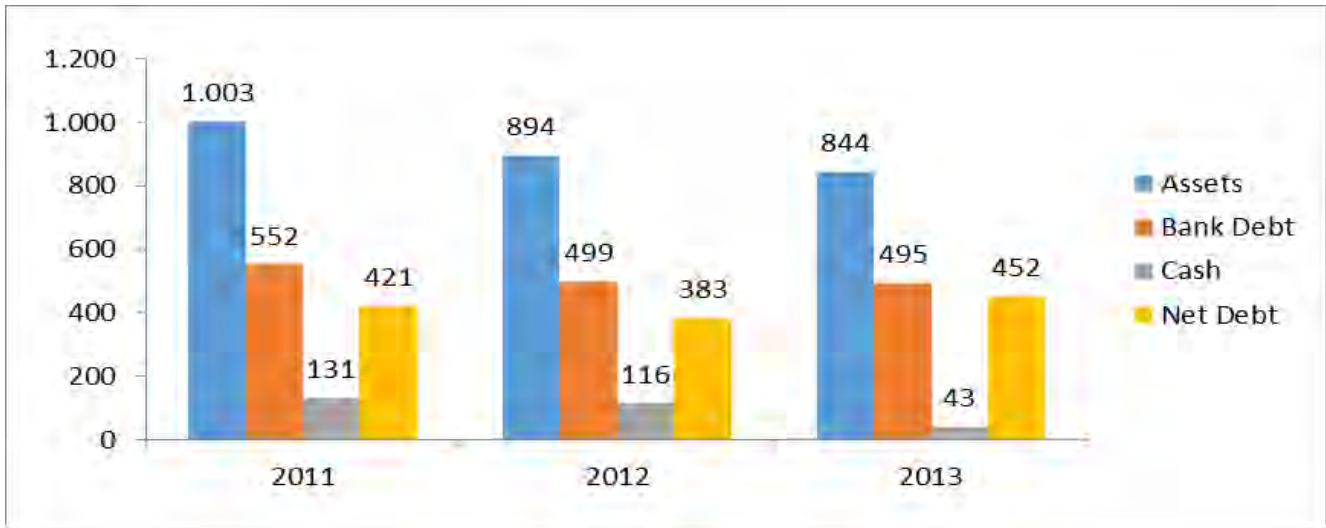


### Bank Debt and Total Assets

(in € million)

% Change

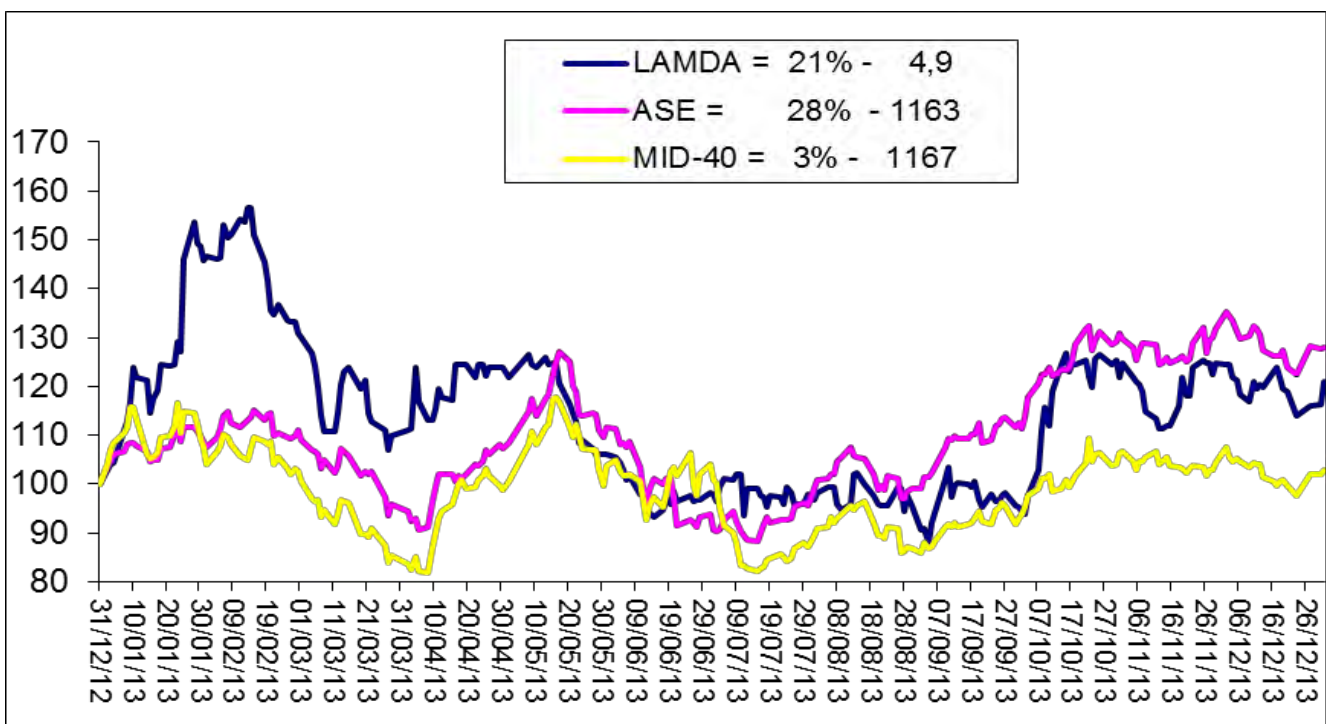
	2011	2012	2013	2012	2013
<b>Assets</b>	1.003	894	844	-11%	-6%
<b>Bank Debt</b>	552	499	495	-10%	-1%
<b>Cash</b>	131	116	43	-11%	-63%
<b>Net Debt</b>	421	383	452	-9%	18%



## Share Performance

Our share price in 2013 had a positive return of 21%, which followed the Athens Exchange general index positive performance (c. 28%). The free float of our stock stands at year end approximately at the level of 30%. The local stock market has shown signs of recovery as a result of the stabilization in the local political scene and the first positive signs of economic recovery. GDP has stopped to shrink as fast as in the previous years and the real economy is anticipated to reflect the upside trend. Both Greece and blue-chip companies of the Athens Exchange have tried successfully to issue bonds and attract foreign investors at very reasonable interest rates.

It should be noted that the stock is part of the relevant ATHEX indexes and the Pan-European index EPRA/NAREIT which consists of the most important shares of European real estate listed companies.



### Overview of FY 2013 IFRS Financials - Balance Sheet

( € million)	2012	2013	CHANGE %
Investment Property	550.9	595.0	8%
Property, Plant & Equipment	38.9	11.7	-70%
Inventories	130.2	125.7	-3%
Cash & Cash Equivalents	116.4	42.9	-63%
Group Equity	301.0	249.6	-17%
Short Term Borrowings	72.0	254.4	254%
Long Term Borrowings	427.1	240.1	-44%

### Annual Change - Share Performance

	31/12/2012	31/12/2013	CHANGE %
LAMDA DEVELOPMENT	4.0 €	4.9 €	21%
ASE XA	907.9	1,162.7	28%
ASE MID 40	1,133.2	1,166.8	3%

### Overview of FY 2013 IFRS Financials- Income Statement

( € million)	2012	2013
Revenue	71.4	64.5
EBITDA before valuations	23.5	25.6
Fair Value Losses	-71.0	-43.4
Earnings before Interest & Taxes	-87.1	-20.0
Profit before Income Tax	-100.2	-39.6
Taxes	8.3	-9.0
Profit after Tax & Minority Interest	-91.9	-48.6

### Participating in Indexes

FTSE ASE MID-40	
ASE General Index	
EPRA/NAREIT EUROPE Index	
MSCI Greece Small Cap	
EPSI 50	
REUTERS QUOTE	LMDr.AT
BLOOMBERG QUOTE	LAMDA GA

### Share Price Performance

	2012	2013
Closing Price at Year End	4.02 €	4.86 €
Annual Average Price	2.56 €	4.57 €
Annual Max Price	4.14 €	6.28 €
Annual Min Price	1.59 €	3.54 €
Daily Average Number of Shares Traded	10,268	8,787

### Per Share Financial Data

	2012	2013
Total No of Shares outstanding at Years' End	44,267,700	44,412,347
Financial Data per share		
Profit after Tax & Minority Interest	- 2.3 €	-1.2 €
Net Asset Value (NAV)	8.3 €	7.3 €

# Investment Portfolio

- ❖ **The Mall Athens**
- ❖ **Golden Hall**
- ❖ **Mediterranean Cosmos**
- ❖ **Flisvos Marina**
- ❖ **Other Investments**





# The Mall Athens

**The Mall Athens was the first of the kind to be developed in Greece and one of the largest shopping and leisure centers in Southeastern Europe.**







# The Mall Athens

It opened to the public on November 25, 2005, has approximately 200 shops for commercial and entertainment use and covers about 58,500 square meters with 90,000 square meters of underground space. It is built on five levels of commercial use and three levels of underground parking space.

Brand name commercial chains, including the most significant Greek and international brands, restaurants and cafés, innovative movie theatres, recreational areas and entertainment for the entire family, have brought a new age of shopping and entertainment choices to Athenians.

With its carefully planned layout, strategic location, modern architecture and innovative services, The Mall Athens offers its visitors a comfortable, pleasurable and safe shopping experience.

The investment value of the commercial and leisure centre is €320 million, while its current fair market value stands at €410 million. This is considered to be one of the largest private real estate investments ever implemented in Greece. The Mall Athens hosted over 11 million visitors during 2013. In 2013, shopkeepers' turnover reached €262 million (including VAT), while rental parking and other revenues amounted to €35 million. Operating profits for the shopping centre reached €23.3 million. The centre is almost fully leased, while demand from companies expressing interest in leasing space is still particularly high. The investment has created approximately 2,500 new jobs.

LAMDA Olympia Village has donated to the municipality of Marousi a brand new leisure park of 15,000 sqm which is one of the biggest parks in the area. The park accommodates one of the most contemporary skate parks in town and has large green field areas.

ECE-LAMDA Hellas, a specialist in the management of shopping centres, has undertaken the management of the centre.

HSBC Property Investments Ltd has a 50% share in LAMDA Olympia Village, owner of The Mall Athens.

With regard to The Mall Athens legal issues, please refer to the Annual Financial Report 2013, which is also uploaded on the company's website, [www.lamda-development.net](http://www.lamda-development.net).

For more information about the shopping centre, please visit the website of The Mall Athens, [www.themallathens.gr](http://www.themallathens.gr) or [www.mymall.com.gr](http://www.mymall.com.gr).

## Also you can follow us at our social network:

- <https://www.facebook.com/MediterraneanCosmosOfficial>
- <http://www.youtube.com/user/OfficialMedCosmos>
- <https://twitter.com/MedCosmos>
- <http://instagram.com/mediterraneancosmosofficial>
- <https://foursquare.com/medcosmos>
- <http://www.pinterest.com/medcosmos/>



# Golden Hall

Golden Hall is ideally located on Kifissias avenue, close to the Athens Olympic Stadium and expands over three levels. It hosts 132 shops that occupy approximately 41,000 sq.m., while a two storey parking area with 1,400 spots facilitates visitors.





WE LOVE  
WOMEN

14/05-31/05

Golden  
Hall

COSMOTE

THE STYLING BY  
ANITA LINDEN  
© BRUNELLO MAGLI



# Golden Hall

The first two levels of the shopping center host mainly shops of women's, men's, children's fashion and footwear, accessories, jewellery stores, home equipment and decoration, cosmetics, sportswear, hair salon, bookstores etc. Shopping, visitors can indulge into a coffee and snack break among its 7 cafes. The third level has five restaurants offering visitors different gastronomic options of Greek and International cuisine as well as a playground for children and a fully equipped area for teenagers.

The most famous Greek brand names and the most renowned international ones - many of which are introduced for the first time to the Greek market through Golden Hall - have made the shopping centre the new point of reference for quality shopping in Greece, offering a new dynamic to the commercial world.

Furthermore, Golden Hall is becoming a cultural epicenter offering its visitors unique possibilities of recreation. The center has hosted various art exhibitions, shows from renown institutions like the National Theater of Greece, as well as many other similar kind of activities that offer Golden Hall's visitor an enhanced experience.

The original development cost for Golden Hall amounted to approximately €80 million, while its current commercial value (with the addition of IBC) approximates €175 million. Shopkeepers' turnover reached €154 million (including VAT), while rental parking and other income (including office space) amounted to €18.5 million. Operating profits for the shopping center reached €12.4 million. The center is almost fully leased.

Following the acquisition of the entire former International Broadcasting Centre (IBC) for a period of 90 years an additional development of approximately 14,000m<sup>2</sup> GLA for the Shopping Center and 250 parking spots will take place. The new development will enhance the existing tenant and product mix, with emphasis given to entertainment, and will result to transforming Golden Hall into the top market destination.

Golden Hall is top rated in European Level in the European Shopping Centre Awards (ICSC) and was awarded the first prize in his category. It has also been awarded with the Silver Award in the category Traditional Marketing Alternative Revenues, under the ICSC Solal Marketing Awards 2014.

ECE-LAMDA Hellas, a specialist in the management of shopping centres, has undertaken the management of the centre.

With regard to Golden Hall's legal issues, please refer to the Annual Financial Report 2013, which is also uploaded on the company's website, [www.lamda-development.net](http://www.lamda-development.net)

For more information about the shopping centre, please visit the websites of Golden Hall, [www.goldenhall.gr](http://www.goldenhall.gr) or [www.mygoldenhall.gr](http://www.mygoldenhall.gr)

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- <https://www.facebook.com/GoldenHall>
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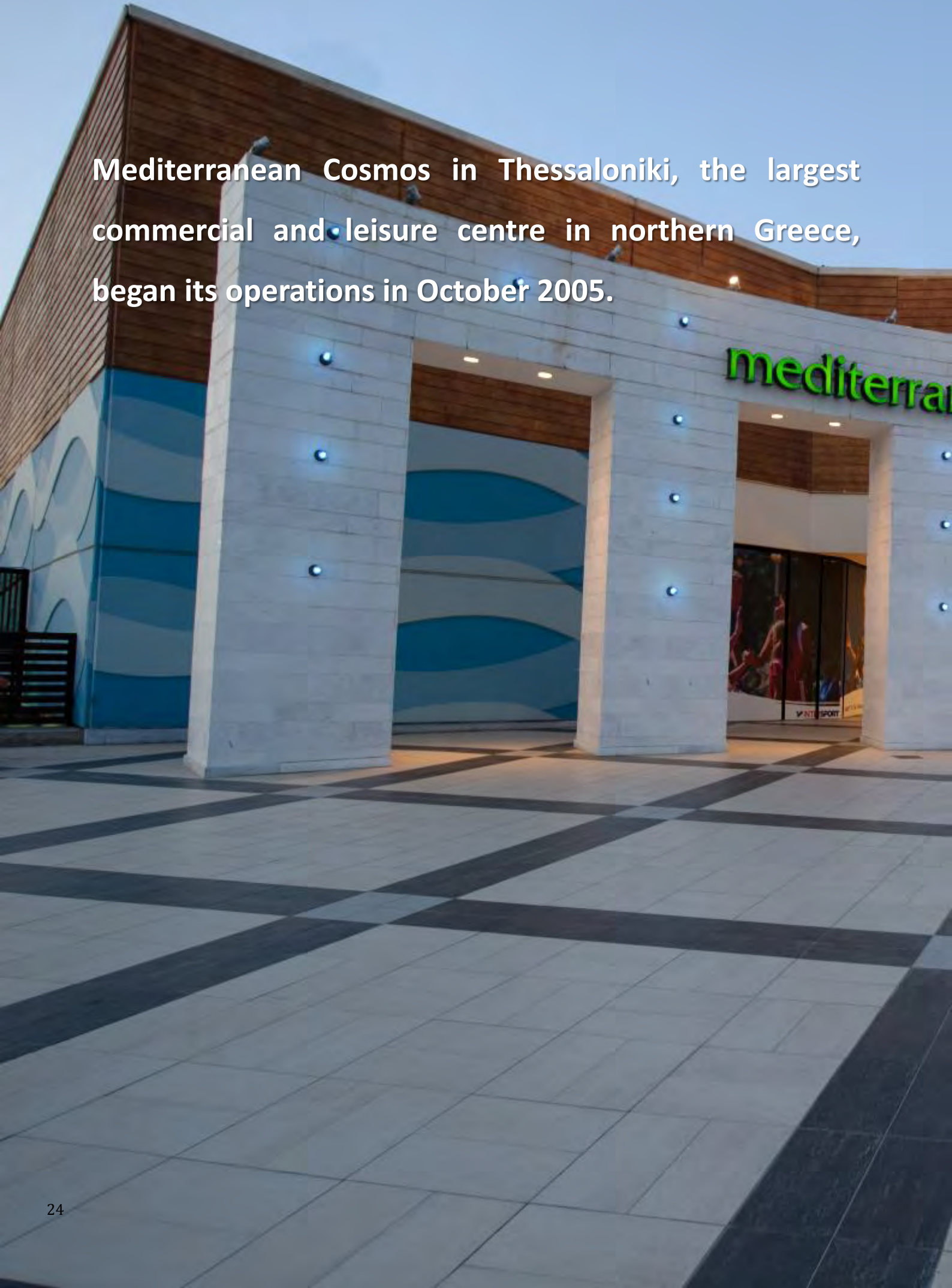


— First of all —



# Mediterranean Cosmos

Mediterranean Cosmos in Thessaloniki, the largest commercial and leisure centre in northern Greece, began its operations in October 2005.







# Mediterranean Cosmos

The centre's most important advantages are the large number of shops, the diverse dining & leisure areas, the wide range of activities for all family members within the same venue, as well as the full-scale property management services provided by the center.

Mediterranean Cosmos stands on a 250,000 sq.m. site owned by the Ecumenical Patriarchate and has been developed on two main levels of 46,000 sq.m. of GLA, which are served by a network of interior pedestrian pathways. The shopping centre offers approximately 3,000 parking spots.

Mediterranean Cosmos is an everyday destination due to its 209 shops, 37 restaurants and cafes, super-market, a cinema complex and a bowling room, a 400-seat open theatre, a playground, an Orthodox church, exemplary auxiliary services and a traditional Greek village.

The centre provides easy access from the city centre and surrounding areas, and is located within five minutes distance from the international airport and major highways.

During the last 3 years, after assuming 100% the ownership and the management in 2010, LAMDA Development has completed a full turnaround of the Centre. More than 60 new shops of international brands have been added to the upgraded tenant mix (representing circa 35% of GLA), a €5million renovation of all common areas has been concluded and a revised marketing and communication strategy plan has been successfully executed.

Mediterranean Cosmos is attracting more than 7.5 million visitors annually from both Greece and abroad and has a fair market value of €150 million. Shopkeepers' turnover increased to €188 million (including VAT) and rental, parking and other income amounted to €22 million. Operating profit reached €12 million. The centre currently enjoys an occupancy rate of 99%.

With regard to Mediterranean Cosmos legal issues, please refer to the Annual Financial Report 2013, which is also uploaded on the company's website, [www.lamda-development.net](http://www.lamda-development.net)

For more information about the shopping centre, please visit the website of Mediterranean Cosmos, [www.medcosmos.gr](http://www.medcosmos.gr), or [www.mymedcosmos.gr](http://www.mymedcosmos.gr).

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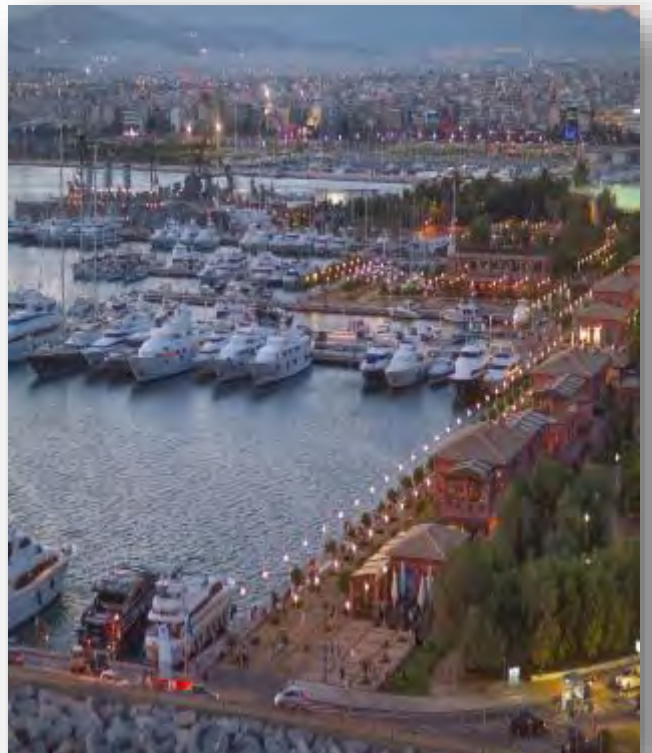
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- <http://www.pinterest.com/themallathens/>



# Flisvos Marina

Just 6 km away from the centre of Athens, Flisvos Marina is Greece's first world class marina, catering to the needs of a large number of mega yachts, while offering possibilities for commercial use and venues open to the public.





# Flisvos Marina

LAMDA Flisvos Marina has undertaken the marina's management and utilization for 40 years, aiming to transform it into a premier marina in the South-eastern Mediterranean.

After the completion of the project in 2010, Flisvos Marina offers a total of 303 berths spots, 50% of which accommodate mega yachts (boats and luxury yachts exceeding 30 meters in length). The marine facilities in combination with mild development and a unique architectural style have contributed to the creation of a world-class marina that is attracting upscale tourism.

The income from port services and property leasing in 2013 amounts to €9.9 million. Regarding the land infrastructure, an area of 56,000 sq.m. has been upgraded, including 3,800 sq.m. of landscaped area, where yacht owners and marina visitors can enjoy a diverse array of 34 units for shopping and leisure activities, such as restaurants, cafes, bars, leading brands and retail stores. This area is surrounded by 23,000 sq.m. of green, while more than a thousand new trees were planted during its upgrade. Tenant occupancy in Flisvos Marina commercial areas reaches 94% with customer visits being particularly high.

Quality services, safety and environmental awareness are the main principles of the marina management aiming at a continuous and sustainable improvement. For the seventh running year Flisvos Marina was awarded the **Blue Flag** ecolabel and the certification by Lloyd's Register Quality and Assurance Group for quality and environment management as per **ISO 9001:2008** and **ISO 14001:2004**, making it Greece's first and only marina to hold both certifications. Flisvos Marina has been also awarded with **5 Gold Anchors**, obtaining the highest rating at the Gold Anchor Award Scheme program of the Yacht Harbour Association (TYHA), member of the British Marine Federation, as well as the distinction **Clean Marina** (Clean Marinas Program) from the International Council of Marine Industry Associations (ICOMIA) after relevant evaluation.

LAMDA Development and D-Marin Investments Holding BV, member of Dogus Group, established a strategic cooperation agreement that was initiated with a formation of a 50%-50% joint venture which also controls the management of the Flisvos Marina.

With regard to Flisvos Marina legal issues, please refer to the Annual Financial Report 2013, which is also uploaded on the company's website, [www.lamda-development.net](http://www.lamda-development.net)

For more information about the marina, please visit Flisvos Marina's website, [www.flisvosmarina.com](http://www.flisvosmarina.com)

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- <https://www.youtube.com/user/FlisvosMarina>





## Golden Hall Office Building

Office areas of the commercial and business complex Golden Hall cover a leasable area of approximately 4,500 sq.m. They are divided into two separate wings and expand over three floors. The top-quality office areas are fully leased. Rental income amounts to €1.3 million (the value of the office building is included in the total valuation of Golden Hall mixed use development).



## Cecil Office Building

The historic former Cecil Hotel in Kifissia, owned by LAMDA Prime Properties, was converted in 2002 into a luxurious and highly-functional office complex offering 6,000 sq.m. of leasable space. The building currently hosts well-known and high-prestige companies such as Laskaridis Group, Santa Marina and others. The building is almost fully leased, while rental income reaches €1.1 million..



## Kronos Business Centre

The Kronos Business Centre in Maroussi is an ultra-modern building offering 4,000 sq.m. of office and commercial space, large floor plates and comfortable offices. The building is fully leased to two multinational companies: Procter & Gamble Hellas and Hyatt Regency. Rental income amounts to €0.6 million.





## Office Building in Romania

The office building is situated in a high-profile location, on the main highway that connects the centre of Bucharest with the airport. The total above ground area of the building is 4,700 sq.m. of which 330 sq.m. are dedicated to retail shops on the ground floor. In addition, 39 parking lots on two underground levels cover another 2,000 sq.m.

## Othonos Street Parking Area

LAMDA Estate Development owns approximately 1,055 sq.m. of underground parking space in the building at 8, Othonos Street. Annual rental income amounts to €0.1 million .



## Exhibition and Convention Centre, Athens International Airport

LAMDA Development participates with 11.7% share in the Athens Metropolitan Expo share capital, which has undertaken, through concession agreement, to develop and operate the new Exhibition and Convention Centre that has been constructed on the Athens International Airport premises. The centre covers a total area of 50,000 sq.m. Total investment amounts approximately to €35.4 million.

# Portfolio under Development

❖ Greece

- Hellinikon project

- Other

❖ Serbia

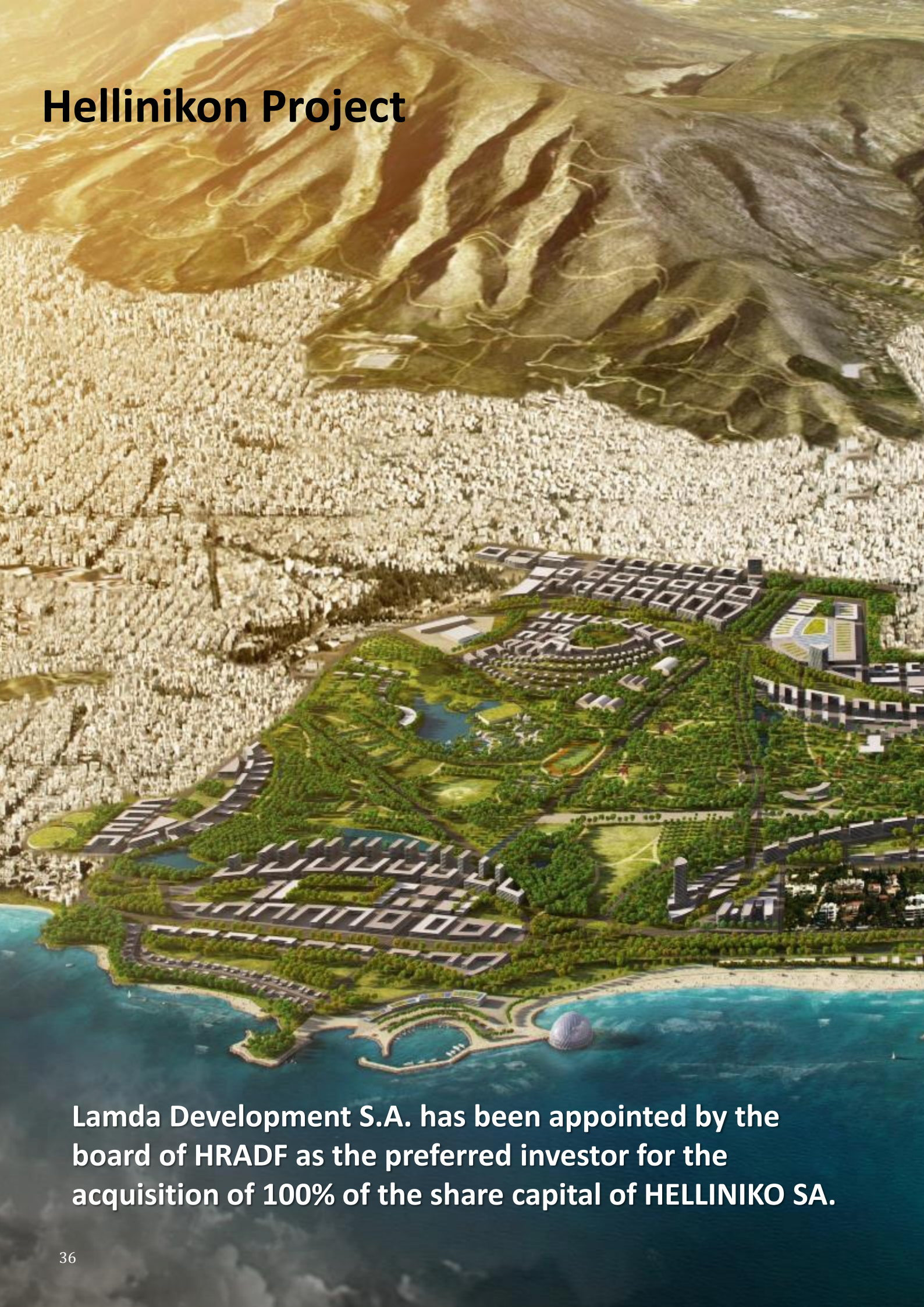
❖ Bulgaria

❖ Romania

❖ Montenegro



# Hellinikon Project



**Lamda Development S.A. has been appointed by the board of HRADF as the preferred investor for the acquisition of 100% of the share capital of HELLINIKO SA.**





# Greece

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## Hellinikon Project

Lamda Development S.A., the offer of which is supported by Global Investment Group (consisting of Latsis Group, Al Maabar from Abu Dhabi and the Chinese conglomerate Fosun Group), fully aware of the responsibility of such a world-class project, wish to ensure all stakeholders that it is ready to rise to the project's challenges, in appreciation of the opportunity given to participate in the developmental course of Greece via this project.

This development marks the end to the 13 year abandonment of this 6.200.000 sqm urban land, where the former Athens international airport of Hellinikon used to be located.

An investment estimated at 7 billion Euros will transform this land into the largest privately funded investment ever in Greece; an integrated urban development that will combine the area's natural beauty and unique characteristics with emblematic buildings, state-of-the-art infrastructure offering world-class service and amenities which will improve the standard of living of Attiki area's millions of inhabitants. The investment will include a diverse range of residential communities, hotels, shopping centres, individual shops, theme parks, art and cultural museums, outdoor cultural venues, health and wellness centers, sport and recreational venues, the creation of a state-of-the-art business, educational, R&D hub as well as the total regeneration of the existing marina and the coastal front that will be open and accessible to all visitors.

The pivotal element of this investment most characteristic of its philosophy is the creation and maintenance of a 2.000.000 sqm. metropolitan park, one of the largest in the world, fully accessible to the public as well as the upgrade of the coastal front, which will be fully accessible to the public.

The total investment amounts to €915 million for the acquisition of 100% of the share capital of HELLINIKO S.A. and €1,25 billion for the implementation of social infrastructure (site clearance, parks, roads, playgrounds, coastal front, transportation means, connections with existing transportation means) reaching a total of 2.1 billion Euro. It must be clarified that, in accordance with the tender procedure, the investor is granted freehold ownership of 1.800.000 from the total of 6.200.000 sqm.



The benefits for the Greek economy, the Greek business community as well as local communities are apparent and, based on existing studies as well as on the company's estimates, can be summed up as follows:

- The project is expected to contribute to the country's GDP by 1.2% annually until 2025, creating new national wealth generated from all areas of Greek businesses, as a result of the revitalization of the unemployed workforce and the creation of new investments.
- The project will contribute to the creation of approximately 50.000 new job positions the period 2014 – 2025 and will employ specialized scientific workforce as well as technical labor force that is presently unemployed, especially during these times of financial crisis.
- The revenue for the Greek Government (V.A.T., income tax, etc. during the period of the project's full operation is expected to amount to approximately €2 billion annually and will comprise a healthy and stable contribution to the national objective for budget surplus and balanced budgets.
- Greece and greater Athens, strengthens their position as an international tourist destination, gaining 1.000.000 additional tourists each year thus attaining extra revenue in addition to the many other benefits for the economy.
- The greater southern zone of Athens and the neighboring municipalities will have the opportunity to enter a new cycle of development and advancement, in conjunction with the other large projects that are presently being development in the area.





## Spata Site

LAMDA Development, through its 100% subsidiary LAMDA Estate Development, owns an 85,000 sq.m. plot of land within Spata Business Park, at Voulia Prokalisi location, on Pikermi Avenue. Following the urban planning that has already been completed, the site has been divided into two plots, where developments covering 50,700 sq.m. are allowed to be built. The permitted land uses allow for the development of retail, office, leisure and entertainment uses. The company evaluates alternative options which include the sale of the property as is or the development and sale of a tailored made building(s) subject to prior agreement with end user(s) within the abovementioned framework.

## Kato Kifissia Site

LAMDA Development has a 50% stake in the share capital of LAMDA Akinita, which owns an 8,500 sq.m. plot of land in Viltanioti street, Kato Kifissia. A valid building permit is in place which allows the construction of an office building offering more than 10,200 sq.m. of surface area. The company evaluates alternative options which include the sale of the property as is or the development and sale of a tailored made building(s) subject to prior agreement with end user(s) within the abovementioned framework.

## Second Home Development, island of Aegina

LAMDA Development, through its 100% subsidiary GEAKAT S.A., holds a 116,000 sq.m. plot of land in the Perdika district of Aegina island. The permitted land uses allow 22,000 sq.m. of residential development. Valid planning permission through a Presidential Decree and environmental impact study for the above are in place. The company evaluates alternative options which include the sale of the property as is or the development and sale of a tailored made building(s) subject to prior agreement with end user(s) within the abovementioned framework.



# Serbia

## Luxury Hotel Complex and Residences

LAMDA Development acquired through its 100% subsidiary, Property Development DOO, a property covering 43,000 m<sup>2</sup> located in the centre of Belgrade, Serbia.

The property, which was purchased through a State public tender, is adjacent to the historic main tourist attraction of the City, the Kalemegdan Castle, overlooking the junction of Sava and Danube Rivers. The entire area of the Castle and its surroundings is considered as “protected” by the Serbian Heritage Institutions and is being treated with most importance and sensitivity by State Authorities and public sentiment.

The property is less than one kilometre away from Belgrade’s main high street retail pedestrian road (famous Knez Mihajlova). Therefore the site, literally being on the edge of the City Centre, enjoys relative seclusion, beautiful views over Kalemegdan Park and the rivers’ intersection, while being a short walk to the main shopping street as well as the main entertainment street of Belgrade.



The property used to belong to the former State textile company named BEKO which had its factory within the plot, an imposing high ceiling 5 story building facing the Castle, which will be reconstructed to host the hotel.

Total area of the project is expected to reach 100,000 m<sup>2</sup>. LAMDA Development carried out the planning of the entire urban block and produced accordingly a Master Plan Urban Analysis of the immediate and wider surrounding urban context that resulted in the Concept Design for the Project. The project will consist primarily of high-end residential dwellings accompanied with a five-star branded hotel, a department store and offices.



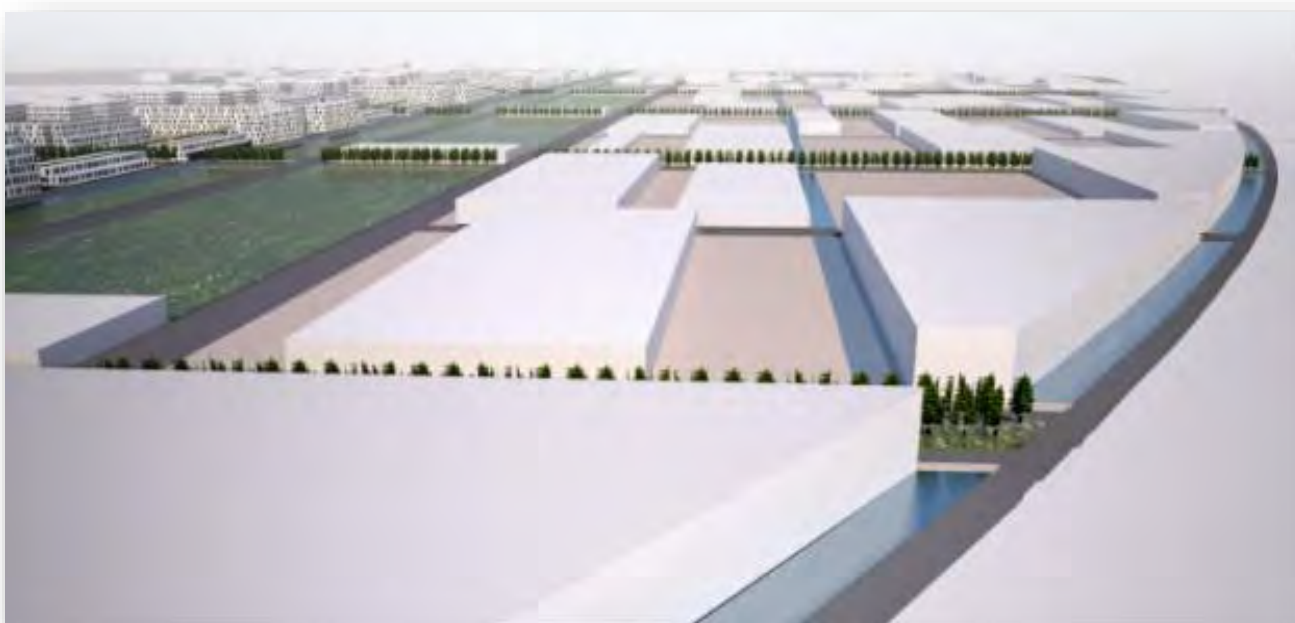
## Residential Development – Belgrade Centre

LAMDA Development DOO Beograd (100% subsidiary of LAMDA Development) owns a 3,000 sq.m. plot of land in the area of Vracar, Belgrade, an area considered as an upscale residential area. On this plot, the company can develop a residential complex of 11,000 sq.m. for which relevant permits have been obtained.



## Rezoning Project - Belgrade

Singidunum Buildings DOO Beograd (50% participating interest of LAMDA Development, RUDNAP group as partner) owns land of approximately 3,400,000 sq.m. in the close surroundings of Belgrade, next to the airport and specifically in the area where the new ring road of the city is being constructed. It is expected that this investment will provide the company with considerable capital gains due to the forthcoming change in land uses (General Urban Plan adopted) and relevant land exploitation.



# Bulgaria

## Commercial Development – Office Building – Ring Road

GLS OOD (50% participating interest of LAMDA Development, GEK as partner) owns a 13,500 sq.m. plot of land in Sofia, and more specifically on the city's newly developed ring road, where all permits for 24,000 sq.m. of commercial and office space have been obtained. The recent widening of the ring road along with the new roundabout literally in front of the site is expected to boost commercial interest for the project.



## Residential Development – South Sofia

LAMDA Development Sofia EOOD (100% subsidiary of LAMDA Development) owns a 15,000 sq.m. plot of land in Sofia, and more specifically in the area of Dragalevtzi where many upscale residential developments have been constructed in the last years. On this site, the company examines the feasibility of upscale residences covering approximately 11,000 sq.m. The project is currently at the stage of architectural design.

## Office Building – Sofia CBD

TIHI EOOD (100% subsidiary of LAMDA Development) owns a 6,300 sq.m. plot of land in the CBD of Sofia, with access to the City's two main highway routes just 1 km away from the City centre. On this site, an office building will be developed with retail areas on the ground floor, covering an area of approximately 30,000 sq.m. for which relevant building permit has been obtained. At this stage, all prospects of securing pre-lease agreements are being examined which will determine the building's final specifications and implementation time framework.



# Romania

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## Residential Development, Regimentului

LAMDA Development Romania Srl (100% subsidiary of LAMDA Development) owns an 11,500 sq.m. plot of land in the northern part of Bucharest, overlooking the Baneasa forest where a number of upscale residential projects have been developed. The residential complex will consist of approximately 28,000 sq.m. The project is presently in the phase of obtaining building permits.



## Logistics Building

The site, land of 102,500 sq.m., owned by Robies Services Ltd (90% subsidiary of LAMDA Development) is on the 23rd kilometre of the Bucharest-Pitesti Highway, in West Bucharest where the majority of all new industrial / logistics projects have been developed. All relevant permits have been obtained respectively for the development of a modern warehouse of 56,000 sq.m.



# Montenegro

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## Second Home Resort

LAMDA Development Montenegro DOO (100% subsidiary of LAMDA Development) owns a 10,500 sq.m. plot of land in Budva, Montenegro, where the plan is to develop a luxurious secondary home resort scheme. The plot overlooks the famous Sveti Stefan Island, where recently Aman Resort opened a five star hotel. The project is presently at the stage of architectural design.





# Corporate Governance



**The principles upon which the Company's corporate governance is based are considered necessary by the management of LAMDA Development, both for the control of the management's decisions and actions, as well as for the protection of the Company's shareholders and the general public.**



LAMDA Development has applied corporate governance principles and processes since its inception, long before these were introduced to Greece, with Law 3016, based on internationally recognized criteria and regulatory frameworks, such as those applied by listed companies on international stock exchanges. The Company, pursuant to Law 3873/2010 has enacted and implements a Corporate Governance Code, which is uploaded on Company's website, [www.lamda-development.net](http://www.lamda-development.net).

## Board of Directors

The Board of Directors is responsible for the Company's management and strategic direction. The majority of the Board is composed of non-executive members. More specifically, of the nine members of the Board, eight are non-executive, three of which are fully independent.

## Internal Audit Committee

The Internal Audit Committee was formed upon the Company's establishment and prior to the undertaking of any investment. The Audit Committee assist the Company's Board of Directors in its duties with regard to financial information, internal audit and monitoring of the ordinary audit.

The Audit Committee today consists of three members, Dr. Peter Kalantzis, Mr. Emmanuel Leonard Bussetil and Mr. George Gerardos.

The Audit Committee operates in accordance with a detailed Operating Regulation, which is uploaded on the Company's website, [www.lamda-development.net](http://www.lamda-development.net).

## Compensation & Nomination Committee

The Compensation and Nomination Committee assists the Board of Directors in all matters concerning:

- a. the general principles governing the management of the Company's human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors' executive members and the executives and employees of the Company, in accordance with the market conditions and the economic context in general, and
- b. the empowerment of the Company's administrative centres, thus the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and approve the documented recommendations of CEO for hiring and promoting executives.

The Compensation and Nomination Committee today consists of three members Messrs. Fotios Antonatos - chairman, Achilles Constantakopoulos - member and Ulysses Kyriacopoulos - member. Mr. Evangelos Chronis is appointed a substitute member of the Chairman and Mr. George Gerardos a substitute member of the Committee.

The Compensation & Nomination Committee operates in accordance with a detailed Operating Regulation, which is uploaded on the Company's website [www.lamda-development.net](http://www.lamda-development.net).

## **Risk Management Committee**

Risk Management Committee aims to analyze, evaluate and manage all risks associated with the Company's business activity in Greece and abroad. The Committee submits its proposals to the Board of Directors.

## **Investment Committee**

The Investment Committee is responsible for approving or rejecting any investment under review. For investments over €15 million per project or for a total commitment of annual investments over €100 million, the Committee submits a request for approval to the Board of Directors.

## **Internal Audit Department**

Internal Audit at LAMDA Development is an independent, objective and consulting activity, which adds value to the Company's systems and operations. It helps the organization to accomplish its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, audit mechanisms and the corporate governance process.

In accordance with the principle of independence, the Internal Audit Service reports to the Internal Audit Committee. Responsibility for the internal audit function has been assumed by the Internal Audit Department (Mrs. Mary Papakonstantinou) and is supported selectively by external specialist consultants, as deemed necessary.

## **Investor Relations and Corporate Communications Department**

Investor Relations and Corporate Communications Department provides shareholders with accurate information as well as other services as these are stipulated by Law and the Company's Articles of Association. Mr. Alexandros Kokkidis is head of the Department, which ensures that all institutional and non-institutional investors, securities companies, brokers and the media receive all necessary information in a responsible, efficient and timely manner.

Furthermore, the Department is responsible for the communication with competent authorities (Athens Exchange and Hellenic Capital Market Commission).

The Investor relations and Corporate Department is structured around the following services:

- Shareholder Services
- Institutional Investor and Professional Investment Advisor Relations
- Corporate Communications
- Media Relations and Communication with Social and Regulatory Bodies and other Key Authorities.

# Board of Directors

## **Peter Kalantzis**

### **Chairman, non executive member**

Dr. Peter Kalantzis obtained his master and doctorate degrees in Economics from the university of Basle, where he was also a Researcher. In 1971 he joined the Swiss multinational chemical company Lonza Ltd. (Basel) where he held until 1990 various managerial positions and became the company's Managing Director. From 1991 until 2000 he was Executive Vice-President of Alusuisse-Lonza Group Ltd. (Zurich), responsible for the Group's Chemical Activities as well as for the corporate development. In this capacity he guided the IPO of Lonza and the merger of Alusuisse with Alcan. He remained until 2009 member of the Board of Directors of Lonza Group Ltd. He served for 9 years as Vice-President and President of the Swiss Chemical and Pharmaceutical Industry Association. In the period 2001-2003 he served as chairman of the board of Petrola Hellas Ltd. Mr. Kalantzis is currently Chairman of Von Roll Holding Ltd, Clair AG and Degussa/Sonnemond Goldhandel AG. He is further, among others, member of the Board of Directors of Moevenpick Holding Ltd., CNH Industrial NV, SGS Holding Ltd and Paneuropean Oil and Industrial Holdings Ltd.

## **Evangelos Chronis**

### **Vice Chairman, non executive member**

Mr. Evangelos Chronis studied shipping in London and worked closely with John S. Latsis for 27 years. Today, he serves as Chairman and Member of the BoD for a number of the Latsis Group companies, as well as for non-profit and charitable organizations.

## **Odisseas Athanassiou**

### **CEO - executive member**

Mr. Odisseas Athanassiou has long experience in senior executive positions in Greece and abroad. He has held the position of CFO of Diageo Hellas responsible of the Greek and Turkish Hub, the position of CFO Western Europe in Barilla in Paris and the position of Financial Director at the cement company TITAN. In the above mentioned companies he also served as member of the Board of Directors. During his 9 years career in the United States he worked for Ernst & Young and Emerson Electric. He holds a degree in Economics and Political sciences from the University of Athens and an MBA from the University of Texas in Austin. Mr. Athanassiou is member of the General Council of SEV, member of the Board of Directors of SELPE and member of the Board of Directors of Alliance for Greece (founding member) and member of the committee of the TEDX Academy Greece.

## **Fotios Antonatos**

### **Non-executive member**

Mr. Fotis Antonatos, based in Geneva, is legal counsel and a member of the Board of Directors of various holding and operating Companies controlled by Latsis family interests. He is a member of the Executive Board of the John S. Latsis Public Benefit Foundation and member of the International Board of Advisors of Tufts University. Fotis S. Antonatos received a Law Degree from the Athens University and an LLM degree from the University College London (University of London).

### **Emmanuel Leonard Bussetil**

#### **Non-executive member**

Mr. Emmanuel Bussetil is the Financial Director of the Latsis Group and a Member of the Board of Directors of various holding and operating companies controlled by Latsis family interests. He is also a Member of the Institute of Chartered Accountants of England and Wales (ICAEW). Prior to his appointment as Head of the Latsis Group's Internal Audit Department, Mr. Bussetil worked for Pricewaterhouse. His collaboration with the Latsis Group began more than 30 years ago.

### **George Gerardos**

#### **Independent, non-executive member**

Mr. George Gerardos graduated from the Athens College and he received his B.A. in Civil Engineering from the National Technical University of Athens. His entrepreneurial activities began in 1969, when he set up the first PLAISIO store on Stournari Street, Athens. Today, after 45 years of constant development and pioneering ideas, Mr. Gerardos is the President and CEO of PLAISIO Computers S.A, which this year was awarded one of the 10 top companies in Europe in the European Business Awards in the category Infosys t/o €150m+.

### **Theodora Zervou**

#### **Non-executive member**

Mrs. Theodora Zervou, attorney at law and member of the Athens Bar Association, has served as Legal Counsel to Eurobank Ergasias S.A. and, previously, to National Investment Bank for Industrial Development S.A.(NIBID).

### **Ulysses Kyriacopoulos**

#### **Independent non-executive member**

Mr. Kyriacopoulos has studied Mining Engineering at Montanuniversitaet Leoben in Austria and at the University of Newcastle-upon-Tyne in England. He holds a M.B.A. from the European Institute of Business Administration (INSEAD) in Fontainebleau, France. He is Chairman of the Board of S&B Industrial Minerals, Chairman of the board of Motodynamics SA, Chairman of the Board of IOBE (Foundation of Economic & Industrial Research) and Member of the Board of Lavipharm SA.

Mr. Kyriacopoulos has served as Chairman of the Hellenic Federation of Enterprises, Vice President of BusinessEurope (ex UNICE). President of the Board of Directors of the Greek National Opera, Vice President of Hellenic Exchanges Holdings S.A. and Member of the General Council of the Bank of Greece.

### **Achilles V. Constantakopoulos**

#### **Independent, non-executive member**

Mr. Achilles Constantakopoulos has graduated from Ecole Hoteliere de Lausanne. Since 1995 he is leading TEMES S.A. (developers of Costa Navarino), in which he currently holds the position of Chairman. He is Chairman and Managing Director of COSTATERRA S.A. (investment and real estate development). He is also Chairman and Managing Director of KYNIGOS S.A. (development and operation of photovoltaic parks). Achilles V. Constantakopoulos is Vice-Chairman of the ENTERPRISE GREECE Agency and a member of the BoD of various companies such as: AEGEAN AIRLINES S.A., AMATHUS HELLAS S.A., CYBARCO HOLDINGS PLC.

# Our people

LAMDA Development acknowledges that its business success is based on the strength of its people. It aims at the creation of a working environment conducive to high development, by following strategies of attracting, developing and retaining human capital, while offering equal opportunities to everyone.

The company conducts training programmes, in which all employees can participate, with the purpose of covering their specific training needs, facilitating their professional development and ensuring their effective response to the company's goals.

LAMDA Development is interested in educating its employees, improving corporate internal communication and enhancing corporate culture. Within the framework of the benefits provided and the social policy implemented by the company, LAMDA Development offers its employees a series of financial and social benefits:

- Special stock option plan for its senior executives
- Performance-based bonus plan
- Health insurance and pension plan
- Granting of interest-free loans to the personnel to help them cover serious urgent needs
- A Blood Bank for the company's employees and their relatives
- Events and celebrations for employees' children
- Rewarding excellent pupils/students
- Extra maternity leave days
- Extra educational leave days for master degrees' exams
- Christmas and Easter presents for employees
- Ticket Restaurant vouchers
- Occupational health & safety provision

## **Actions of Environmental and Social Awareness - New Projects**

With each project, LAMDA Development strives to use environmentally-friendly materials and implement energy efficient construction methods and operation modes, contributing to the preservation of the environment, through its sustainable investments.

The company is in the process of introducing cogeneration (CHP) projects in an effort to improve the energy usage efficiency in all its Malls; hence benefiting from the process of electrical power generation to achieve major benefits in heating, air conditioning and at the same time reduce the buildings carbon footprint.

Since its establishment, LAMDA Development has always supported the efforts made by public welfare institutions and organizations, which aim to improve the living standards of our fellow citizens and help those in need. Indicatively, the company supports the work of organizations, such as Xamogelo tou Paidiou, Amimoni, Alma Zois, Elepap, Make a Wish, Special Olympics. LAMDA Development also supports the National Theatre of Greece, Junior Achievement and Alliance for Greece.

LAMDA Development (The Mall Athens, Golden Hall, Mediterranean Cosmos, Flisvos Marina) together with Eurobank and EKO, own a Co-branded credit card names YES Visa.

This unique card bears a loyalty scheme offering cardholder the ability to benefit from his/her every day purchases, realized with YES Visa.





# Financial Statements

Parent Company Group Figures  
and Information as of 31.12.2013





## LAMDA DEVELOPMENT S.A.

### HOLDING AND REAL ESTATE DEVELOPMENT COMPANY S.A.

Company's number in the General Electronic Commercial Registry: 337970/000 (former S.A.REG.No: 3039/06/B/86/28)

Registered offices: 37A Kifissias Ave., 151 23 Marousi

FINANCIAL DATA AND INFORMATION for the period 1 JANUARY 2014 - 31 MARCH 2014

(in accordance with 4/507/28.04.2009 resolution of the Greek Capital Market Committee)

The financial information listed below is aiming to provide a general awareness about the financial position and the financial results of LAMDA DEVELOPMENT S.A. Consequently, it is recommended to the reader, before any investment decision or transaction performed with the Company, to visit the website of the Company where the financial statements are available with the certified auditor's report, whenever is required.

#### COMPANY'S DATA

Supervising Authority:  
Company's web address:

Date of approval of the financial statements by the  
Board of Directors:

9 May 2014

Konstantinos Michalatos (SOEL Reg. No 17701)  
PricewaterhouseCoopers S.A.  
Unqualified opinion - emphasis of matter

Ministry of Development (department of limited companies)  
[www.lamda-development.net](http://www.lamda-development.net)

**Board of Directors**  
Chairman of the Board: Dr. Peter P. Kalantzis  
Vice Chairman: Evaggelos I Chronis  
Chief Executive Officer: Odysseus E. Athanasiou

**Members:**  
Fotios S. Antonatos  
Emmanuel L. Bussetti  
Georgios K. Gerardos  
Theodora C. Zervou  
Ulysses P. Kyriacopoulos  
Achilleas V. Konstantakopoulos

#### STATEMENT OF FINANCIAL POSITION (Amounts in € thousands)

	GROUP		COMPANY	
	31/3/2014	31/12/2013 <i>(restated)</i>	31/3/2014	31/12/2013
<b>ASSETS</b>				
Investment property	388.177	388.177	1.840	1.840
Owner occupied property, plant and equipment	4.663	4.651	214	235
Investments in subsidiaries and associates	115.176	115.024	251.224	251.184
Other non-current assets	11.663	11.486	89.859	89.670
Inventories	83.410	83.190	-	-
Trade and other receivables	30.252	35.015	25.419	30.152
Cash and cash equivalents	35.944	32.586	8.218	7.597
<b>TOTAL ASSETS</b>	<b>669.284</b>	<b>670.129</b>	<b>376.775</b>	<b>380.679</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	13.324	13.324	13.324	13.324
Share premium	223.600	223.600	223.600	223.600
Treasury shares	(16.970)	(16.970)	(16.970)	(16.970)
Other equity components	30.539	29.685	(39.581)	(36.824)
<b>Total share capital and reserves (a)</b>	<b>250.492</b>	<b>249.638</b>	<b>180.372</b>	<b>183.129</b>
Non-controlling interests (b)	(87)	(83)	-	-
<b>Total equity (c) = (a) + (b)</b>	<b>250.405</b>	<b>249.555</b>	<b>180.372</b>	<b>183.129</b>
Long-term borrowings	237.907	240.078	65.900	66.350
Deferred tax liabilities	24.812	23.862	-	-
Provisions / Other non-current liabilities	16.239	16.304	19.379	19.379
Short-term borrowings	110.968	110.179	98.800	98.800
Other short-term liabilities	28.953	30.152	12.324	13.020
<b>Total liabilities (d)</b>	<b>418.879</b>	<b>420.574</b>	<b>196.403</b>	<b>197.550</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>669.284</b>	<b>670.129</b>	<b>376.775</b>	<b>380.679</b>

#### STATEMENT OF CHANGES IN EQUITY (Amounts in € thousands)

	GROUP		COMPANY	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
Equity at the beginning of the period (1/1/2014 and 1/1/2013 respectively)	249.555	301.007	183.129	202.479
Total comprehensive income after tax	850	(10.976)	(2.757)	(3.494)
Purchase of treasury shares	-	(26)	-	(26)
<b>Equity at the end of the period (31/3/2014 and 31/3/2013 respectively)</b>	<b>250.405</b>	<b>290.005</b>	<b>180.372</b>	<b>198.959</b>

#### CASH FLOW STATEMENT (Amounts in € thousands) - Indirect Method

	GROUP		COMPANY	
	1/1-31/3/2014	1/1-31/3/2013 <i>(restated)</i>	1/1-31/3/2014	1/1-31/3/2013
<b>Cash flows from operating activities</b>				
Profit / (losses) before taxes from continuing operations	1.660	(5.752)	(3.169)	(2.918)
Profit before taxes from discontinued operations	-	276	-	-
<b>Adjustments for:</b>				
Depreciation	241	466	23	41
Provisions	(601)	6.379	-	-
Results (income, expenses, gains and losses) of investment operations	3.518	3.281	1.616	1.277
Finance costs - net	-	-	-	-
<b>Changes in working capital:</b>				
Increase in inventories	(220)	36	-	-
(Increase) / decrease in receivables	4.965	71	5.241	(211)
Decrease in receivables	(1.409)	(2.361)	(869)	(55)
Minus:				
Interest paid	(3.526)	(3.956)	(1.845)	(1.850)
Income tax paid	(251)	(120)	(14)	(66)
Cash flows from operating activities from discontinued operations	-	415	-	-
<b>4.377</b>	<b>(988)</b>	<b>982</b>	<b>(3.782)</b>	
<b>Cash flows from investing activities - net</b>				
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment and investment properties	(252)	(81.309)	(3)	(18)
Loans granted from related parties	-	-	-	4.000
Interest received	238	644	131	483
Increase / decrease in share capital of participations	450	-	(40)	(41.485)
Cash flows from investing activities from discontinued operations	-	(4)	-	-
<b>436</b>	<b>(80.669)</b>	<b>88</b>	<b>(37.020)</b>	
<b>Cash flows from financing activities</b>				
Purchase of treasury shares	-	(26)	-	(26)
Dividends paid to the shareholders	-	(2)	-	(2)
Capital repayments of finance leases	(203)	(201)	-	-
Borrowings received	-	40.000	-	-
Repayments of borrowings	(1.252)	(11.955)	(450)	(9.125)
Borrowings transaction costs - new	-	(917)	-	-
<b>Cash flows from / (to) financing activities - net</b>	<b>(1.455)</b>	<b>26.900</b>	<b>(450)</b>	<b>(9.153)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3.358</b>	<b>(54.757)</b>	<b>620</b>	<b>(49.955)</b>
Cash and cash equivalents at the beginning of the period	32.586	110.326	7.597	78.441
Cash and cash equivalents at end of the period from discontinued operations	-	(2.757)	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>35.944</b>	<b>52.811</b>	<b>8.218</b>	<b>28.486</b>

**STATEMENT OF COMPREHENSIVE INCOME (Amounts in € thousands)**

	GROUP 1/1 - 31/3/2014		GROUP 1/1 - 31/3/2013		COMPANY 1/1 - 31/3/2014		COMPANY 1/1 - 31/3/2013	
	Continuing operations	Discontinued operations	Continuing operations (revised)	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Revenues from investment property	10,142	-	10,450	-	329	-	-	-
Revenues from services, sale of inventories and other revenues	889	-	2,727	1,501	329	322	-	-
<b>Fair value gains / (losses) of investment property and other assets</b>	-	-	-	-	-	-	-	-
<b>Gain/(Loss) from sale of investment property</b>	-	-	-	-	-	-	-	-
Minus: Operating expenses	(3,430)	-	(3,398)	(217)	-	-	-	-
Gross revenue	7,601	-	9,779	1,284	329	322	-	-
<b>Profit / (loss) before interest and taxes</b>	<b>4,576</b>	-	<b>3,908</b>	<b>277</b>	<b>(1,554)</b>	<b>(1,641)</b>	-	-
Profit / (loss) before income tax	1,660	-	(5,476)	276	(3,169)	(2,918)	-	-
<b>Profit / (loss) after taxes (A)</b>	<b>675</b>	-	<b>(11,637)</b>	<b>187</b>	<b>(2,757)</b>	<b>(3,633)</b>	-	-
<b>Profit / (loss) attributable to:</b>								
- Owners of the parent	678	-	(11,298)	149	(2,757)	(3,633)	-	-
- Non-controlling interests	(3)	-	(339)	37	-	-	-	-
<b>Other comprehensive income / (loss) after tax (B)</b>	<b>176</b>	-	<b>475</b>	<b>475</b>	<b>139</b>	<b>(3,494)</b>	-	-
<b>Total other comprehensive income / (loss) after tax (A)+(B)</b>	<b>850</b>	-	<b>(11,162)</b>	<b>187</b>	<b>(2,757)</b>	<b>(3,494)</b>	-	-
<b>Profit / (loss) attributable to:</b>								
- Owners of the parent	854	-	(10,823)	149	(2,757)	(3,494)	-	-
- Non-controlling interests	(3)	-	(339)	37	-	-	-	-
<b>Earnings per share after taxes (expressed in € per share)</b>								
- Basic	0,0166	-	(0,2770)	0,0037	(0,0674)	(0,0891)	-	-
- Diluted	0,0165	-	(0,2757)	0,0036	(0,0672)	(0,0887)	-	-
<b>Profit / (loss) before interest, taxes, depreciation and amortisation</b>	<b>4,817</b>	-	<b>4,373</b>	<b>395</b>	<b>(1,531)</b>	<b>(1,600)</b>	-	-

**DATA AND INFORMATION**

- The Company has been audited by tax authorities until the fiscal year of 2008. For further information regarding the Company's and Group's unaudited fiscal years refer to note 17 of the interim financial statements for the period ended March 31, 2014.
- The accounting principles adopted in the preparation and presentation of the condensed interim financial statements for the three-month period that ended at 31 March 2014 are consistent with the same accounting principles adopted for the financial statements of the Company and the Group for the year ended December 31, 2013 with the only exception of the application of IFRS 11 effective from 1 January 2014 (see note 19).
- The company Consolidated Lamda Holdings SA registered in Luxembourg participates in Company's share capital by 61.88% and therefore Group's financial statements are included in Consolidated Lamda Holdings SA's consolidated financial statements by the full consolidation method.
- Companies included in the consolidated financial statements together with country of establishment, participation interest, directly and indirectly, and method of consolidation are presented in note 7 of the condensed interim financial statements for the three-month period that ended at 31 March 2014.
- The Company proceeded to share capital increase in its subsidiary LAMDA Development Sofia EOOD and Property Development DOO by €40K and €450K respectively. On the other hand, the joint venture of LAMDA Akinitha SA decreased its share capital by €450K. Also, during the current period, the Company's subsidiary LAMDA Development (Netherlands) BV participated in the establishment of the joint venture Lamda Singidunum Netherlands BV contributing the amount of €20K.
- Real estate liens and pre-notices over assets, amount to € 189m concerning guarantees for bank loans.
- The number of employees at the end of the period was: Group 148, Company 64 (31/03/2013); Group 210, Company 64). There are no seasonal employees at the end of the period (31/03/2013; Group 0, Company 0).
- At the end of the period, the Company acquires 3,497,599 common treasury shares at an average price of €4,85 per share, at an aggregate total value of €17m.
- The impact of IFRS 11 on the current financial year financial position (which will be the comparative financial year in the financial statements as at 31 December 2013), is estimated to as follows: a decrease in investment property by €207m, a decrease in inventories by €42m, a decrease in borrowings by €144m and an increase in investments in joint ventures by €111m. There will be no significant impact on the Group's net equity or its net loss for the period.
- Other comprehensive income / (loss) after tax includes: a) Cash flow hedges profit, after tax €202k (31/3/2013 €475k) at Group level and €0 (31/3/2013 €139k) at Company level b) Foreign exchange difference €26k (31/3/2013 €0) at Group level and €0 (31/3/2013 €0) at Company level.
- There are neither cases under dispute, litigation, or arbitrations nor any court decisions that are likely to have a significant impact on the Company's financial statements. During period ended 31 March 2014 a) No provision has been made regarding cases under dispute, litigation, arbitrations or court decisions b) The total amount of the accumulative provision made for the Group's and Company's unaudited by the tax authorities years amount to €1.4m and €0.7m respectively c) The other provisions that have been made accumulatively for the Group and the Company amount to €9.5m and €0k respectively and include provisions for customers' impairment.
- At the Extraordinary General Meeting of shareholders of the Company, which held a meeting on 29 April 2014 decided the increase of the share capital of the Company with a view to raising funds up to one hundred and fifty million Euro (€150,000,000.00)
- The Hellenic Republic Asset Development Fund announced that the Company is the preferred investor regarding the acquisition of 100% of the share capital of the company "Helleniko A.E" aiming to the exploitation of the former Hellinikon airport area and the coastal zone, of 6,200,000 sqm total area.
- Intercompany transactions for the period ended 31 March 2014 and intercompany balances as at 31 March 2014, according to IAS 24 are as follows:

	GROUP	COMPANY
a) Revenues	181	285
b) Expenses	1,205	215
c) Dividend income	-	-
d) Receivables	3,454	92,965
e) Payables	17,990	19,946
f) Transactions and gross salaries of EoD members and management	129	129
g) Receivables from EoD members and management	-	-
h) Payables to EoD members and management	-	-
i) Cash at bank - related parties	-	-

Maroussi, 9 May 2014

CHAIRMAN OF THE BOARD OF DIRECTORS

CHIEF FINANCIAL OFFICER

FINANCIAL DIRECTOR

Dr.PETER P. KALANTZIS

ODYSSEUS E. ATHANASIOU

VASSILIOS A. BALOUMIS

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