

LAMDA Development: Year End 2016 Financial Results

HISTORICAL RECORD ON PROFITABILITY

Following the positive trend that commenced in H2 2013 and despite the prevailing adverse economic environment the **EBITDA of our three shopping centers further increased by 8%** year-over-year, amounting to €43 million in 2016. **EBITDA on a consolidated basis reached €33,8 million**, an amount which registers an **increase by 12,7%** year-over-year and a **historical record of profits before valuation effects**.

IMPROVEMENT IN OUR RETAIL INDICATORS

Aggregate shopkeepers' **turnover** in our three Shopping Centers **increased by 2,9%** year-over-year, while total **customer visits** remained unchanged. **Average occupancy** of our Shopping Centres approximates **99%**, while commercial interest for retail spaces is still vibrant.

The concept differentiation and favourable performance of our Shopping Centres compared to the rest of the domestic retail market prove 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 higher levels in customer visits as evidenced by realized data.

EBITDA of **“The Mall Athens”** reached €26,5 million, tracking a remarkable increase of 7,7%. It is also noted that shopkeepers' turnover was increased by 1,3%, while customer visits increased by 1,4%. EBITDA of **“Mediterranean Cosmos”** in Thessaloniki posted an increase of 6,6% amounting to €14,5 million. Shopkeepers' turnover and customer visits were increased by 3,7% and 0,5% respectively, while the centre has reached its full capacity in terms of occupancy. As far as **“Golden Hall”** is concerned EBITDA for 2016 reached €15,2 million., resulting in a remarkable increase of 9,4%. Shopkeepers' turnover as well as Customer visits were increased by 4,7% and 1,9% accordingly. All the above-mentioned indicators reaffirm the leading status of our Shopping Centers in the retail market and their strong resilience to the unfavorable domestic economic environment.

FINANCIAL RESULTS ANALYSIS

Following IFRS standard 11 effective from 01/01/2014, our Company has been obliged to discontinue consolidating joint ventures by the proportional method and, henceforth, joint ventures have been consolidated under the equity method. It must be stressed out that, in the Balance Sheet, the equity method does not have any effect on the Group Equity or Net Result after Taxes.

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

(amounts in € mln.)	2016	2015	(%)
“The Mall Athens” (50%)	13,3	12,3	7,7
“Mediterranean Cosmos”	14,5	13,6	6,6
“Golden Hall”	15,2	13,9	9,4
Retail EBITDA	43,0	39,8	8,0

Office buildings contributed €1,6 million to the Group operational profitability, compared to €1,7 million in 2015.

Total EBITDA (on a consolidated basis) before valuations reached €33,8 million, reaching a record of operational profitability with an increase of 12,7% which is mainly attributed to the increase in the operational profitability of our Shopping Centers.

Another very important development **is the stabilization of our Shopping Centers' fair values** following six years of continuous decline, mainly due to the increase in yields. Fair value losses have been reduced to 5.3 million from 18.5 million in 2015.

Net result (on a consolidated basis) in 2016 showed losses of only €3,2 million versus losses of €22,1 million in 2015. Net Asset Value (before taxes) reached €403,7 million (€5,22 per share), versus €408,1 million at 31/12/2015.

Summary of consolidated financial figures

(amounts in € mln.)	2016	2015	(%)
Proportional (Pro-Forma) EBITDA before valuations	33,8	30,0	12,7%
Fair value losses	-5,3	-18,5	
Net interest expense	-22,5	-21,5	
Depreciation	-1,2	-1,2	
Taxes	-8,0	-10,9	
Net Profit (Loss)	-3,2	-22,1	

The Company's stock is still trading at the ATHEX at a discount versus NAV per share. More specifically, with a share price at €4,70 on 24/03/2017 the discount was about 10%. Since the beginning of 2016 the stock recorded marginal losses of 2,3%, in line with the Large Cap Index.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio stands at 41,2%, a very satisfactory level. Finally, as at 31/12/2016 the Company has acquired a total of 2.366.007 treasury shares, representing 2,97% of its share capital, with a weighted average purchase price of €3,87 per share.

On the occasion of the announcement of the financial results, the CEO of Lamda Development Mr. Odisseas Athanasiou stated:

“Year 2016 has been a milestone year for the Company given that a historical record of profitability is recorded. Furthermore, the shopping centers fair market value has stabilized following six years of continued decline due to the deterioration of country risk resulting in higher cap rates, despite the improvement of shopping centers profitability. Focusing on Greek market growth opportunities and international cooperations we remain dedicated to our customer oriented approach and continue our strong efforts to further improve future performance.”

The summary of the year end financial figures for 2016 will be posted on the company's website (www.lamdadev.com) and on the website of the Athens Exchange.