

LAMDA Development: Q1 2017 Financial Results

RECORD PROFITABILITY IN Q1 2017

Following the record profitability of 2016 and despite the prevailing adverse economic environment, **EBITDA of our three Shopping Centers further increased by of 4,5%** year-over-year, amounting to €11,6 million in Q1 2017. **EBITDA on a consolidated basis (before valuations) reached €9,7 million**, an amount which registers an **increase of 3,2%** year-over-year.

RETAIL INDICATORS

During Q1 2017 a mix of extreme weather conditions and prolonged public strikes on public means of transportation somewhat affected the access of the consumer public to our Shopping Centres. Aggregate shopkeepers' **turnover** in our three Shopping Centers **decreased by 4,7%** year-over-year, while total **customer visits** decreased by 6,4%. **Average occupancy** of our Shopping Centres' approaches **98%** with commercial interest for retail spaces continuing vibrant.

The concept differentiation and rich product and entertainment offerings of our Shopping Centres compared to the rest of the domestic retail market continue to attract the overwhelming preference of the consumer public. Shopkeepers continue to enjoy ample support via common marketing, promotional and communication activities and acknowledge the fact they outperform the overall retail market.

EBITDA of "**The Mall Athens**" reached €7,1 million, showing an increase of 4,4%. It is noted that shopkeepers' turnover decreased by 4,7%, while customer visits decreased by 5,8%, significantly affected by the strikes in public transportation restricting the access to the Shopping Center. EBITDA of "**Mediterranean Cosmos**" in Thessaloniki posted an increase of 2,7% amounting to €3,8 million. Shopkeepers' turnover and customer visits were decreased by 4,6% and 10,1% respectively, while the centre has reached its full capacity in terms of occupancy. The deterioration of center's performance indicators in Q1 is mainly attributed to the extreme weather conditions in Northern Greece (the shopping center ceased operations for two days). As far as "**Golden Hall**" is concerned, EBITDA for Q1 2017 reached €4,2 million, resulting in a remarkable increase of 5,0%. Shopkeepers' turnover dropped by 4,8%, while customer' visits remained slightly unchanged.

FINANCIAL RESULTS ANALYSIS

Following IFRS standard 11 that is effective from 1/1/2014, our company has been obliged to discontinue consolidating joint ventures by the proportional method and henceforth, joint ventures have been consolidated with the equity method. It must be stressed that, in the balance sheet, consolidation with the equity method does not have any effect on the Group Equity or Net Profit after Taxes.

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

| (amounts in € mln.) | Q1 2017 | Q1 2016 | (%) change |
|-------------------------|-------------|-------------|---------------|
| "The Mall Athens" (50%) | 3,6 | 3,4 | 4,4% |
| "Mediterranean Cosmos" | 3,8 | 3,7 | 2,7% |
| "Golden Hall" | 4,2 | 4,0 | 5,0% |
| Retail EBITDA | 11,6 | 11,1 | 4,5% |

Office buildings contributed €1,6 million to the Group operational profitability, same as Q1 2016.

Total EBITDA (on a consolidated basis) before valuations reached €9,7 million, posting an increase of 4,5% which is mainly attributed to the increase in the operational profitability of our Shopping Centers. **Net Results** (on a consolidated basis) **showed profits of €1,7 million for Q1 2017** versus profits of €1,6 million in Q1 2016. The slight increase in net interest expense was offset by the **increase in the Shopping Centres operational profitability** of €0,5 million.

Net Asset Value (before taxes) reached €405,5 million (€5,24 per share), almost unchanged versus 31/12/2016.

Summary of consolidated financial figures

| (amounts in € mln.) | Q1 2017 | Q1 2016 | (%) change |
|--|------------|------------|-------------|
| Proportional (Pro – Forma) EBITDA before valuations | 9,7 | 9,4 | 3,2% |
| Net interest expense | -5,7 | -5,6 | 1,8% |
| Depreciation | -0,3 | -0,3 | 0,0% |
| Taxes | -1,9 | -1,9 | 0,0% |
| Net Profit | 1,7 | 1,6 | 6,3% |

The Company's stock is still trading in ATHEX at a discount versus NAV per share. Since the beginning of 2017 both company's stock as well as the General Index have not deviated significantly from previous year closing levels. More specifically, at a share price of €4,99 on 26/05/2017, the discount is about 5%.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio stands at 40,9%, a very satisfactory level. Also, as of 31/03/2017 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.

NEW IMPORTANT DEVELOPMENTS

In Q1 2017 the Company established LAMDA MALLS S.A., a new subsidiary company, incorporated by the contributions of the shares of the owner companies of Golden Hall and Mediterranean Cosmos shopping centers. Following this corporate restructuring and, in pursuit of its strategic goal to strengthen and grow its position in the real estate market, the Company signed on 03/04/2017 a strategic partnership agreement with Värde Partners, which includes the acquisition by Värde of 31,7% of LAMDA MALLS S.A at a purchase price of €61,3 million and also outlines an investments growth action plan by LAMDA MALLS SA in the retail real estate sector.

Regarding the announcement of the financial results, CEO of Lamda Development Mr. Odysseas Athanasiou stated:

“In Q1 2017 we continued the positive trend of operational profitability which posted record profits in 2016. Focusing in growth opportunities and international cooperations and dedicated to our customer oriented approach we continue, albeit the adverse economic conditions, to intensify our efforts in order to grow and improve future performance. Our strategic partnership with Värde Partners aims exactly in the direction of dynamic growth, quality product offerings and market outperformance by Lamda Development Group”.

The summary of the first quarter financial figures for Q1 2017 will be posted on the company's website (www.lamdadev.com) and on the website of the Athens Exchange.