

## LAMDA Development: 9 Month 2017 Financial Results

### **NEW HISTORIC RECORD OF OPERATIONAL PROFITABILITY AND IMPORTANT STRATEGIC DEVELOPMENTS IN NINE MONTH PERIOD 2017**

**New net profitability record in nine month 2017.** The operational profitability (EBITDA) of our three shopping centers **posted an increase of 11,6%** versus the respective period of 2016, reaching €35,7 million, mainly due to the acquisition of the remaining 50% of the shopping center The Mall Athens. Excluding the realized acquisition, the increase would have been 2,2%.

The aggregate consolidated operating results (EBITDA) of the group before valuations reached **€30,1 million**, recording an increase of 12,7% compared to the nine month period 2016.

#### **PRESENTATION OF MAIN RETAIL INDICATORS**

The average occupancy of our shopping centres approaches **99%** with commercial interest for retail spaces remaining vibrant. The combined effect of the adverse economic conditions, as well as the cease of the operations of a tenant occupying many shops in our shopping centres, have temporarily affected certain main retail indicators. Aggregate shopkeepers' turnover decreased by 2,7%, compared to the respective period of 2016, while total customer visits decreased just by 0,8%, compared to nine month period of 2016. We should note, though, that the above mentioned trend was reverted in the third semester of 2017, recording an increase of 0,5% as regards shopkeepers' turnover and 2,6% regarding customer visits respectively.

The differentiation and quality of services, consumption and entertainment wise, in our Shopping Centres compared to the rest of the retail market continue to attract the overwhelming preference of the consumer public. The shopkeepers benefit from the high percentages of customer visits and given our ample support via common marketing, promotional and communication activities, they show confidence and appreciation in our work.

#### **IMPORTANT DEVELOPMENTS IN 2017 TODATE**

During Q1 2017 a new subsidiary company, LAMDA MALLS S.A., was established, which was incorporated by the contributions of the owner companies of Golden Hall and Mediterranean Cosmos shopping centers. In pursuit of its strategic goal to strengthen and grow its position in the real estate market, LAMDA Development signed on 03/04/2017 a strategic partnership agreement with Värde Partners that referred to the participation of Värde in the share capital of the newly established subsidiary company and provided for new acquisitions/investments by LAMDA MALLS in the retail real estate sector. On 01/06/2017 Värde paid the amount of €61,3 million for the acquisition of 31,7% of LAMDA MALLS S.A.

The company signed an agreement for the purchase of 50% of the share capital of LAMDA OLYMPIA VILLAGE S.A. (owner of The Mall Athens) from IRERE PROPERTY INVESTMENTS LUXEMBOURG. The transaction was concluded on 17/07/2017 with an acquisition cost of €85 million, making LAMDA Development owner of 100% of the shopping center The Mall Athens. As of Q3 2017 LAMDA OLYMPIA VILLAGE (LOV) is fully consolidated, contributing significantly to the operating profitability and net asset value (NAV) of the company.

Today we announced the conclusion of the sale of the land plot "Kalemegdan" in Belgrade, at the price of €25 million. This sale, as well as previous property sales in the Balkan area, is part of the company's existing strategy, which is concentration of its activities in the Greek market, with focus on the company's further growth in the area of shopping centers and, in general, on retail real estate assets, as well as on the very significant project of the redevelopment of the Hellinikon.

#### **FINANCIAL RESULTS ANALYSIS**

It must be stressed that starting from Q3 2017 LAMDA OLYMPIA VILLAGE (LOV) will not be consolidated with the equity method, but with the proportional method.

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

(amounts in € mln.)	9M 2017	9M 2016	(%) change
The Mall Athens	13.0	9.8	32,7%
Mediterranean Cosmos	10.9	10.6	2,8%
Golden Hall	11.8	11.6	1,7%
<b>Retail EBITDA</b>	<b>35.7</b>	<b>32.0</b>	<b>11,6%</b>

Office buildings contributed €1.1 million to the Group operational profitability in the nine month period.

Total EBITDA on a consolidated basis before valuations reached €30.1 million, posting an increase of 12,7%. **Net Results** (on a consolidated basis) showed losses of €22 million versus profits of €0.1 million in 9M 2016, that are mainly attributed to fair value losses of land plots as well as to the accounting treatment of the acquisition of 50% of LAMDA OLYMPIA VILLAGE (LOV).

**Net Asset Value (NAV)** before taxes reached €413.7 million (€5,35 per share), in comparison to €403.7 million on 31/12/2016.

#### Summary of consolidated financial figures

(amounts in € mln.)	9M 2017	9M 2016	(%) change
<b>Proportional (Pro – Forma) EBITDA before valuations</b>	<b>30.1</b>	<b>26.7</b>	<b>12,7%</b>
Fair Value Losses	-7.3	-1.1	
Effect of LOV 50% acquisition	-10.7	-	
Net interest expense	-18.9	-16.9	
Depreciation	-0.9	-0.9	
Taxes	-12.7	-7.7	
Minority Interests	-1.6	-	
<b>Consolidated Results</b>	<b>-22.0</b>	<b>0.1</b>	

**The Company's stock**, surpassing substantially the performance of the Athens Stock Exchange since the beginning of the year, has posted a significant increase of 20% from previous year closing levels, at a share price of €5,76 on 28/11/2017.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio stands at 44,5%. Finally, it is worth mentioning that on 30/09/2017 the Company holds 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. Odysseas Athanasiou stated:**

*“Innovation, extroversion, along with international partnerships remain our main principles in order to achieve even better results in the future. Towards that direction we are ready to commence the emblematic project of Hellinikon, which will contribute substantially to the country's growth and will classify Greece as an investment, tourist and cultural destination, generating directly tens of thousands of new jobs, as well as creating the largest coastal front in the world.”*

The summary of the nine month 2017 financial figures will be posted on the company's website ([www.lamdadev.com](http://www.lamdadev.com)) and on the website of the Athens Exchange.