

LAMDA Development: Year End 2017 Financial Results

NEW RECORD OF OPERATIONAL PROFITABILITY AND IMPORTANT STRATEGIC DEVELOPMENTS IN 2017

New operational profitability record in 2017. The operational profitability (EBITDA) of our three shopping centers **posted an increase of 19,3%** versus 2016, reaching €51,2 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 3,2%.

The aggregate consolidated operating results (EBITDA) of the group before valuations reached **€41,4 million**, recording an increase of 22,5% compared to 2016.

PRESENTATION OF MAIN RETAIL INDICATORS

The **average occupancy** of our shopping centres approaches **99%** with commercial interest for retail spaces remaining vibrant. Aggregate shopkeepers' turnover decreased only by 1,1%, compared to 2016, while total customer visits remained unchanged. 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 only temporarily affected certain main retail indicators.

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 (up to the release of the Financial Results)

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 retail 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 S.A. 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.

During Q4 2017 the sale of the land plot "Kalemegdan" in Belgrade was concluded, 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 the 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. In the framework of this strategy the Company also sold the office building Kronos Business Center during Q1 2018.

During Q1 2018 the Presidential Decree which granted approval to the Integrated Development Plan of the Hellinikon (Metropolitan Pole of Hellinikon-Agios Kosmas) was published. The approval of the Integrated Development Plan (IDP) by means of a Presidential Decree, which first underwent examination by the Council of State is the first step towards the successful completion of a series of conditions which, once met, will in effect allow the transfer of the shares in HELLINIKON S.A. and will mark the commencement of the Project's implementation.

FINANCIAL RESULTS ANALYSIS

It is noted that starting from Q3 2017 LAMDA OLYMPIA VILLAGE (LOV) is not consolidated with the equity method, but with the proportional method.

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

(amounts in € mln.)	2017	2016	(%) change
The Mall Athens	20.4	13.2	54,5%
Mediterranean Cosmos	14.6	14.5	0,7%
Golden Hall	16.2	15.2	6,6%
Retail EBITDA	51.2	42.9	19,3%

Office buildings contributed €1.5 million to the Group operational profitability during 2017.

Total EBITDA on a consolidated basis before valuations reached €41.4 million, posting an increase of 22,5%. **Net Consolidated Results** showed losses of €48.3 million versus losses of €3.2 million in 2016, that are mainly attributed to the land plot sale in Serbia and the fair value losses on the land plots, as well as to the increased deferred taxes. This deferred tax increase is due to the revaluation of the shopping centers, as well as to the write-off of deferred tax asset related to the land plot portfolio.

Net Asset Value (NAV) before taxes reached €395.1 million (€5,08 per share), in comparison to €403.7 million on 31/12/2016.

Summary of consolidated financial figures

(amounts in € mln.)	2017	2016	(%) change
Proportional (Pro – Forma) EBITDA before valuations	41.4	33.8	22,5%
Fair Value Losses	-24.5	-5.3	N/A
Effect of LOV 50% acquisition	-10.7	-	
Net interest expense	-26.1	-22.5	
Depreciation	-1.1	-1.2	
Taxes	-22.7	-8.0	
Minority Interests	-4.6	-	
Consolidated Results	-48.3	-3.2	

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 33% compared to closing price on 31/12/2016, at a share price of €6,40 on 17/03/2018.

The **Net Loan to Value Ratio (Net LTV)** of the Group's investment portfolio stands at 42,5%. Finally, it is worth mentioning that on 31/12/2017 the Company holds a total of 1.866.007 treasury shares, representing 2,34% 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:**

“Continuing its positive course, the Company posted a new record of operational profitability. In accordance with the Company's strategy towards strengthening its position further in the retail real estate sector, Lamda Development acquired 100% of LOV share capital, which owns the shopping center "The Mall Athens". It also executed the strategic agreement to team up with the prestigious American company Värde Partners as co-investors in a new real estate investment vehicle which focuses on Greek retail real estate sector. Our goal for 2018 is the substantial progress of the emblematic project of Hellinikon, the design of a pioneering project for Athens, with great emphasis on the creation of a world class metropolitan park which will contribute substantially to the country's growth and

will classify Greece as an investment, tourist and cultural destination creating the largest coastal park in the world as well as generating tens of thousands of new jobs.”

The summary of year end 2017 financial figures will be posted on the company’s website (www.lamdadev.com) and on the website of the Athens Exchange.